

SCRep. 966 Consumer Protection and Commerce on H.B. No. 1446

The purpose of this bill is to allow a financial services loan company (FSLC) to charge a prepayment penalty on variable rate and open-end consumer loans.

The Hawaii Financial Services Association submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony in opposition to this measure.

Section 412:9-304(2)(B), Hawaii Revised Statutes (HRS), prohibits FSLCs from charging prepayment penalties on variable rate and open-end consumer loans. Banks, savings banks, and savings and loans are not similarly restricted under Chapter 412, HRS. The prepayment penalty restriction prevents FSLCs from selling these loans on the secondary market since most investors require a prepayment penalty as a condition of sale to ensure a minimum net return on their investment.

Your Committee understands that a Task Force was created in 1996 to review, discuss, and attempt to draft acceptable modifications to Article 9 of the Code of Financial Institutions dealing with FSLCs. In light of the work being done by the Task Force, your Committee believes that this measure will further the Task Force's discussions on the many complicated issues that still need to be addressed.

Upon careful consideration, your Committee has amended this measure to:

- (1) Continue the prohibition against FLSCs from charging prepayment penalties on open-end consumer loans;
- (2) Permit FLSCs who purchase a variable rate consumer loan from another FLSC to charge prepayment penalties; and
- (3) Prohibit FSLCs from charging prepayment penalties on variable rate consumer loans when they are the original lender or have repurchased their own loans.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1446, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1446, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Tom.

SCRep. 967 Consumer Protection and Commerce on H.B. No. 1450

The purpose of this bill is to treat the cost for loan documentation the same as other financial institutions by permitting financial services loan companies (FSLCs) the right to charge and to retain any and all fees, charges, and expenses, without limitations, for consumer loan transactions.

Your Committee received testimony in support of this measure from the Hawaii Financial Services Association. Testimony opposing this measure was submitted by the Department of Commerce and Consumer Affairs.

Testimony indicated that FSLCs spend thousands of dollars preparing and revising their loan applications and processing disclosure forms to meet ever changing federal and state laws and regulations. Under current law, FSLCs cannot pass on these government-imposed costs to their customers. However, banks, savings and loans, and credit unions may and do charge loan preparation fees to partially cover these government-imposed costs.

FSLCs compete directly with banks, savings and loans, credit unions, and mortgage brokers for customers. Your Committee believes that this bill will promote fairness by treating FSLCs costs the same as other financial institutions.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1450 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola and Tom.

SCRep. 968 Consumer Protection and Commerce on H.B. No. 1881

The purpose of this bill is to provide an exemption for engineers and architects in accordance with their scope of practice from the pest control licensing laws.

Specifically, this bill, among other things:

- (1) Deletes the blanket exemption for pest control operators;
- (2) Clarifies that pest control operators need not provide evidence of workers' compensation coverage if the applicant is excluded from the workers' compensation statutes;
- (3) Repeals outdated provisions regarding automatic licensure of pest control operators and fumigators; and
- (4) Establishes statutory authority to allow a licensee to place a license on "inactive" status.

Supportive testimony was received from the Board of Professional Engineers, Architects, Surveyors, and Landscape Architects, the Pest Control Board, and the Hawaii Pest Control Association.

After consultation with the various parties that testified at the public hearing, your Committee has amended this bill by:

- (1) Requiring engineers and architects granted exemptions from the licensing requirements to consult with a licensed termite control operator or other duly recognized expert having expertise in the identification or control of termites; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1881, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1881, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Garcia and Tom.

SCRep. 969 Consumer Protection and Commerce on H.B. No. 793

The purposes of the bill are to allow a developer of a condominium project to:

- (1) Enter into binding sales contract with a buyer prior to meeting certain requirements such as acquiring a project site and securing construction financing; and
- (2) Market condominium units simultaneously to owner-occupants and the general public.

The Department of Commerce and Consumer Affairs, Real Estate Commission, testified in favor of the bill with amendments. The Myers Corporation, the Building Industry Association of Hawaii, the Land Use Research Foundation of Hawaii, and the Hawaii Resort Developers Conference submitted testimony in support of the bill. The City and County of Honolulu, Department of Housing and Community Development, submitted comments on the measure.

Currently, a developer of a condominium project must meet certain requirements before being issued an effective date for a final public report which binds the buyer to the sales contract. These requirements include obtaining the land, recording the declaration and floor plans, executing a construction contract, and securing building permits, performance bonds, and financing. While these requirements were designed to protect consumers, they require a developer to incur the considerable costs and risks of development since lenders will not generally provide financing until a final public report has been issued.

This bill proposes to remove some of the constraints placed on a developer by the requirements for a final public report without compromising consumer protection. The proposed amendments to Chapter 514A, Hawaii Revised Statutes (HRS) authorize the REC to issue an effective date for a final public report when the developer has finalized and recorded the project's plans and organizational documents, and secured an option or agreement of sale for the project site. The developer then has six months to comply with the remaining requirements for a final public report, including acquiring the project site, securing financing, building permits, and bonding, and executing a construction contract. During the initial marketing period, the buyer's deposits must be held in escrow in federally-insured interest bearing accounts, and returned to the buyer with any interest that has accrued if the developer fails to meet the remaining conditions within the six month period.

Additionally, the bill proposes to allow a developer to market new condominium units to owner-occupants and the general public simultaneously. Presently, the law allows a developer to market a project to owner-occupants prior to the issuance of the final public report's effective date. During this period, only reservations for a unit can be made and there is no binding contract. Testimony was received that the current requirement for a separate owner-occupant offering is expensive, complicated, and confusing to buyers. The bill amends Chapter 514A to allow the simultaneous marketing of a project to owner-occupants and the general public while retaining the requirement that up to fifty per cent of the residential units be offered to owner-occupants.

Your Committee finds that the amendments proposed by this bill will streamline and simplify procedures and encourage the future development of high-quality condominium housing within the State.

Upon careful consideration, your Committee has amended the bill by:

- (1) Retaining existing requirements and procedures for a final public report and allowing a developer the option of marketing a project under a contingent final public report which expires six months after its effective date;
- (2) Providing for an assessment against a developer utilizing the contingent final public report option for a non-refundable REC fee and non-refundable consultant fee to cover the costs of reviewing and processing the project documents during the six-month period;
- (3) Providing that the requirements for a supplementary public report shall remain in effect during the period that a contingent final public report is in effect;
- (4) Establishing that a final public report shall supersede a contingent final public report if the requirements for the former are met while the latter is in effect;

- (5) Requiring that if the sales contract is rescinded because the developer has not met all the conditions for a final public report after the contingent final public report has expired, the buyer shall receive a refund of all deposits with interest, and reimbursement for escrow and financing fees incurred;
- (6) Retaining most of the owner-occupant announcement requirements set forth in section 514A-102(a), HRS;
- (7) Requiring that a developer secure a construction financing letter of interest from a lender authorized to do business in the State before an effective date is issued for a contingent final public report;
- (8) Repealing Section 10 of Act 106, Session Laws of Hawaii 1996; and
- (9) Making numerous technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 793, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 793, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Case, Saiki, Tom and Yoshinaga.

SCRep. 970 Energy and Environmental Protection on H.B. No. 2027

The purpose of this bill, as received by your Committee, is to:

- (1) Amend the definition of "wastewater" in Chapter 342D, Hawaii Revised Statutes (HRS);
- (2) Promote wastewater reuse by excluding highly treated wastewater from the definition of wastewater such that any spill or overflow of reclaimed water would not be considered a violation of the State water pollution control laws and administrative rules; and
- (3) Clarify issues of liability and third party suits related to wastewater spills and overflows.

The City and County of Honolulu Department of Wastewater Management, which is under a consent decree to develop and implement an effluent reuse plan within the next year, submitted testimony in support of this measure.

The Department of Health did not support this measure, as at this time it is currently reviewing and amending its administrative rules, and expressed a need for maintaining consistency with federal regulations and the Clean Water Act. Comments on the bill were also received from the Land Use Research Foundation, the Sierra Club, and a private individual, all of whom expressed concerns that the bill did not achieve its intent.

Your Committee finds that there needs to be a clarification and distinction made between "reclaimed water" and "wastewater" in order to facilitate the beneficial use of reclaimed water.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended this bill to:

- (1) Retain the current statutory definition of "wastewater"; and
- (2) Add a new definition of "reclaimed water" to section 342D-1, HRS.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2027, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2027, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hamakawa, Kanohe and Tarnas.

SCRep. 971 Energy and Environmental Protection on H.B. No. 1292

The purpose of this bill, as received by your Committee, is to require the Department of Land and Natural Resources (DLNR) to adopt rules authorizing the sale of selected threatened and endangered plant species cultivated from nursery stock and not collected from the wild.

Testimony in support of the bill were received from DLNR, the Hawaii Farm Bureau, the Audubon Society, and Lyon Arboretum Association. The Audubon Society suggested amending the bill to allow the adoption of rules to be permissive, rather than mandatory.

After carefully considering the merits of the measure and the testimonies received, your Committee has amended the bill to:

- (1) Change the "shall" to "may" in order to provide DLNR with flexibility as to the adoption of rules;
- (2) Expand the scope of the bill to address threatened and endangered species and their habitats;
- (3) Revise the findings and purpose section of the bill;

- (4) Address the need for public and private landowners to work cooperatively to ensure perpetuation of indigenous aquatic life and wildlife, as well as that of land plants;
- (5) Acknowledge concerns related to the larger context of conservation and management of endangered species' habitats; and
- (6) Authorize DLNR to enter into agreements with others for the purposes of administration and management of areas or facilities to conserve, manage, enhance, or protect endangered species and their habitats.

Your Committee believes that this bill can serve as a vehicle to further discussion of the issues related to protecting threatened and endangered species while balancing the needs of public and private landowners of the conservation habitat.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1292, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1292, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hamakawa, Kanoho and Tarnas.
(Representative Thielen voted no.)

SCRep. 972 Water and Land Use on H.B. No. 454

The purpose of this bill is to require that:

- (1) Free and unimpeded public access by right-of-way or easement to the shoreline, mountains, or other recreational, cultural, or natural resource be provided as a condition of any state or county land use approval; and
- (2) Free public parking for fifty motor vehicles be provided by the access points.

Testimony in support of this bill was received from the Democratic Party of Hawaii, the Hawaii Trail and Mountain Club, Hawaii's Thousand Friends, the Oahu Pig Hunters Association, the Sierra Club, Hawaii Chapter, and the Sierra Club, Oahu Group.

Comments on this bill were received from the Office of Planning, Department of Business, Economic Development, and Tourism, the Department of Land and Natural Resources, and the Land Use Commission, the City and County of Honolulu, Department of Land Utilization, the County of Hawaii, Planning Department, Hawaiian Electric Company, the Estate of James Campbell, the Kamehameha Schools Bernice Pauahi Bishop Estate, and the Land Use Research Foundation of Hawaii.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting the requirement that free public parking for fifty motor vehicles be provided;
- (2) Allowing the approving agency the option of requiring free public parking;
- (3) Specifying that the authority of the appropriate county shall require free public parking as a condition of approval when the approval involves a private, gated, residential community;
- (4) Defining "authority" as the county planning commission unless otherwise specified;
- (5) Specifying that when free public parking is required, it shall be provided within a reasonable distance, rather than three hundred feet, from the access points. It is your Committee's intent that the free public parking be located close enough to the access points that it would be convenient for users to take advantage of the right-of-way or easement; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 454, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 454, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Morihara and Yoshinaga.

SCRep. 973 Consumer Protection and Commerce and Judiciary on H.B. No. 71

The purpose of this bill is to protect citizens from unfair and unscrupulous collection practices by requiring that collection agencies provide specific information regarding the debt when contacting a debtor for payment.

The Legal Aid Society of Hawaii submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs submitted testimony in support of the intent of this measure. Opposing testimony was submitted by Credguard Corporation, Bureau of Medical Economics, the President of Hawaii Collector's Association, Collection Agency of Hawaii, Inc., Credit Associates of Maui, Ltd., and a private individual.

Your Committees have amended this measure by deleting its contents and inserting new language to provide that a collection agency must disclose the name of the client to whom the claim is owed at the time of making any demand for money.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 71, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 71, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Case, Hiraki, Aiona and Whalen.

SCRep. 974 Consumer Protection and Commerce and Judiciary on H.B. No. 367

The purpose of this bill is to prevent:

- (1) Minors from obtaining liquor through direct shipments; and
- (2) Unfair competition by direct shippers who have not paid the State any license fees or taxes.

The Department of Liquor Control, County of Maui and the Retail Liquor Dealers Association submitted testimony in support of this measure.

Your Committees believe that this measure addresses the concern that direct shipments of liquor to individuals have allowed minors to obtain liquor. Although Hawaii licensees can lose their license for not taking the necessary steps to insure that minors do not purchase alcoholic beverages, there are no penalties for an out-of-state shipping company.

Additionally, representatives from the liquor industry conservatively estimate that nationwide, the direct shipment of liquor generates approximately \$550 million to \$1 billion a year. The direct shippers have not paid the State any taxes that are due. Due to the direct shipping industry, the State has been losing additional moneys in general excise taxes and employment.

Upon careful consideration, your Committees have amended this measure by:

- (1) Clarifying that it shall be unlawful for any person in the business of selling liquor in another state or country to ship liquor directly to any person within this State for remuneration;
- (2) Changing the penalty to a petty misdemeanor rather than a class C felony; and
- (3) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 367, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 367, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 975 Consumer Protection and Commerce and Judiciary on H.B. No. 791

The purpose of this bill, as received by your Committee, is to allow the payee or holder in due course to recover:

- (1) A reasonable service charge of up to \$20 against a maker for a dishonored check at anytime prior to a judicial hearing; and
- (2) Additional damages pursuant to section 490:3-506, Hawaii Revised Statutes, at the hearing of an action for treble damages, where the maker fails to tender the sum of the check and the service charge prior to the commencement of the action.

Supportive testimony was received from Credit Associates of Maui, Ltd., Liberty House, Retail Merchants of Hawaii, Legislative Information Services of Hawaii, Inc., and an individual. Opposing testimony was submitted by the Department of Commerce and Consumer Affairs.

Your Committees find that the service charge is viewed as a form of compensatory damages to reimburse the merchant who accepted the check for expenses incurred in trying to collect the dishonored check. Your Committees believe that statutory authority is necessary to assess service charges and to serve the best interest of both the consumer and the merchant.

Upon further consideration, your Committees have amended this measure by:

- (1) Inserting the provisions of this bill in the Hawaii Uniform Commercial Code, Chapter 490, Hawaii Revised Statutes (HRS), rather than the Code of Financial Institutions, Chapter 412, HRS;
- (2) Allowing the recovery of a service charge only where the payee provides to the maker notice of the assessment in the form of a sign or other notice that can be read by the maker, prior to the acceptance of the check, draft, or order for payment;

- (3) Changing the effective date of this bill from July 1, 1997, to "upon approval"; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 791, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 791, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 976 Consumer Protection and Commerce and Judiciary on H.B. No. 963

The purpose of the bill is to:

- (1) Establish the offense of trademark counterfeiting as a class C felony;
- (2) Authorize the forfeiture and destruction or other disposition of counterfeited property; and
- (3) Provide for a mandatory minimum term of imprisonment without parole for repeat offenders.

Testimony in support of the bill was received from the Honolulu Police Department, the Recording Industry Association of America, Inc., Guess?, Inc., Oakley, Inc., the International Anti-Counterfeiting Coalition, and a concerned individual.

The manufacture and sale of counterfeit goods is a serious and growing problem. It is a multi-million dollar industry with close ties to organized crime and the drug trade. Counterfeiting results in the loss of legitimate jobs and a loss of income for legitimate businesses. Counterfeiters do not pay taxes, nor do they provide medical, workers' compensation, or unemployment benefits for their workers, who must often work under unsafe and unsanitary conditions.

Hawaii is not immune from this problem. Testimony was received by your Committees that known counterfeiters in California are travelling to Hawaii to do business based upon the perception that this State is a safe place in which to conduct counterfeiting activity. Further, counterfeit property has been confiscated by police at swap meets and trade shows. Therefore, your Committees find that this measure is necessary to stem the tide of counterfeit activity in this State.

Your Committees have amended this bill by:

- (1) Adding the language "knowing that the mark is counterfeit" as an element of the offense of trademark counterfeiting; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 963, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 963, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Herkes, Hiraki, Jones and Kawanakoa.

SCRep. 977 Consumer Protection and Commerce and Judiciary on H.B. No. 1975

The purpose of this bill is to allow landlords to evict tenants who commit offenses which are subject to forfeiture as specified in section 712A-4, Hawaii Revised Statutes (HRS).

The Honolulu Police Department, the Community Coalition for Neighborhood Safety, the Windward Neighborhood Security Watch Coordinators Group, and a member of the public testified in support of the bill. The Prosecuting Attorney of the City and County of Honolulu, the Hawaii Association of Realtors, and Neeley & Anderson, Attorneys at Law, testified in support of the intent of this bill. The Department of Commerce and Consumer Affairs commented on this measure. The Judiciary took no position on this bill.

Your Committee has amended the bill by:

- (1) Clarifying that the purpose of the bill is to establish that a tenant's substantial noncompliance with section 521-51(1) is the basis for summary possession, including the commission of any illegal acts outlined in section 712A-4, HRS;
- (2) Requiring that while in the dwelling the tenant must refrain from committing any of the illegal acts outlined in section 712A-4, HRS;
- (3) Deleting the amendments to section 521-69, HRS; and
- (4) Making technical nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1975,

as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1975, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Case, Hiraki, Aiona and Whalen.

SCRep. 978 Consumer Protection and Commerce and Judiciary on H.B. No. 1549

The purpose of this bill is to prohibit the sale or the offering for sale of any aquatic food that misrepresents its origin as being from within the State when it is from outside the State.

The Department of Land and Natural Resources submitted testimony in support of the intent of the bill, but with suggested amendments. The Hawaii Food Industry Association testified that it did not have any problem with the basic concept of the measure, but opposed prohibiting the use of Hawaiian fish names when the fish was not landed in Hawaii. Comments on the bill were submitted by the Board of Agriculture and two individuals.

Your Committees have amended the bill by:

- (1) Allowing sellers to use the Hawaiian name for aquatic food originating from outside the State, but requiring it to be labeled as imported;
- (2) Deleting the requirement that a seller or a restaurant notify customers specifically of the country of origin of imported aquatic food, while retaining the requirement of a general notification that the aquatic food is imported; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1549, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1549, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Case, Hiraki, Aiona and Whalen.

SCRep. 979 Consumer Protection and Commerce and Judiciary on H.B. No. 1538

The purpose of this bill is to amend the law for nonjudicial foreclosures, which is a process where a lender (mortgagee) may foreclose on a mortgage under a power of sale without filing a lawsuit.

Supportive testimony was received from Title Guaranty of Hawaii and the Hawaii Financial Services Association.

Under a power of sale foreclosure, the court is not involved in the process. The power of sale foreclosure starts when a demand letter is sent to a delinquent borrower. If the loan still remains in default after the stated deadline, a notice of the public auction is sent to the borrower and others. The notice is published in the newspaper and is posted on the mortgaged property. The property is sold to the highest bidder at the public auction. The sale is then closed. This entire process takes approximately three to four months to complete. Currently, power of sale foreclosures in Hawaii generally involve only time share unit foreclosures or foreclosures where the real property involved has a low market value.

Upon further consideration, your Committees have amended this bill by:

- (1) Requiring the notice of default to state a date, which is at least sixty days after the date of the notice, by which the default must be cured (rather than thirty days);
- (2) Requiring the notice of default to be sent by regular mail, postage prepaid, and by either certified or registered mail;
- (3) Requiring that a copy of the public notice sent by regular mail, postage prepaid, and by either certified or registered mail to the mortgagor, borrower, and any prior or junior creditors at least sixty days before the date of the public sale (rather than twenty-one days);
- (4) Requiring the foreclosing mortgagee to maintain a record for six years from the date of the recordation of the conveyance documents, which show proof that the written notice of default and the public notice of the public sale were received by those to whom the notices were sent; and
- (5) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1538, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1538, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 980 Consumer Protection and Commerce and Judiciary on H.B. No. 777

The purpose of this bill is to provide members of planned community associations with basic procedural rights similar to those provided to condominium associations and cooperative housing corporations.

Specifically, this bill, among other things:

- (1) Provides that board of directors be composed only of association members and with no more than one director from any one unit;
- (2) Prohibits open-ended or irrevocable proxies under most circumstances;
- (3) Provides for the right to attend and participate in board meetings;
- (4) Provides for the right of association members to have access to and obtain copies of documents of the association;
- (5) Requires that notice of increases in regular assessments be given at least thirty days in advance;
- (6) Allows community associations to recover all of their costs, including reasonable attorneys' fees incurred in the collection of assessments and enforcement of covenants; and
- (7) Specifies a procedure allowing any party to request mediation in a dispute concerning the interpretation, application, or enforcement of association documents.

The Community Associations Institute, Hawaii Chapter submitted testimony in support of this measure. The Housing Finance and Development Corporation and the Real Estate Commission submitted testimony in support of the intent of this measure. Comments were submitted by the Department of Commerce and Consumer Affairs and the Land Use Research Foundation of Hawaii.

Currently, there is no law that sets forth the basic framework for self-governance by planned community associations. Each planned community association is governed by their respective association documents. Thus, there is no consistency among planned community associations and some have no basic self-governance provisions. This bill will provide the basic framework and owner rights for self-governance.

Upon careful consideration, your Committees have amended this measure by:

- (1) Deleting the authorization for planned community associations to utilize collection agencies;
- (2) Ensuring consistency with the cooperative housing corporations and condominium property regimes by requiring that a valid proxy:
 - (a) Be delivered to the secretary of the association or the managing agent, if any, no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains;
 - (b) Contain at least the name of the association, the date of the meeting of the association, the printed name and signature of the person giving the proxy, the unit or units for which the proxy is given, and the date that the proxy is given; and
 - (c) Contain boxes wherein the owner has indicated the specific purpose of the proxy;
- (3) Providing that if a member is not the prevailing party in any court action against an association, then all reasonable and necessary expense, costs, and attorneys' fees incurred by the association shall be awarded to the association unless the action was filed in small claims court or prior to filing the action in a higher court, the owner has first submitted the claim to mediation and made a good faith effort to resolve the dispute;
- (4) Clarifying that the definition of "member" is to have the same meaning as provided in association documents or if no definition is provided, shall mean the person or persons owning or co-owning a unit or having the right of occupancy of a unit under an agreement of sale or under a recorded lease;
- (5) Clarifying that every member of the board of directors shall be a member of the association, except for directors appointed by a developer or declaration as provided in the association documents;
- (6) Providing that the partners of a general partnership, the general partners in a limited partnership, and any officer or a corporate owner shall be deemed members; and
- (7) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 777, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 777, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 981 Judiciary and Consumer Protection and Commerce on H.B. No. 1588

The purpose of this bill is to implement procedures that will satisfy the mandates imposed by the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Act) passed by Congress on August 22, 1996.

In order to ensure that noncustodial parents fulfill their child support obligations, the Act focuses on three key elements:

- (1) Access to information in locating noncustodial parents and their assets;
- (2) Mass case processing through the use of technology; and
- (3) Proactive automatic enforcement.

These elements, which have been implemented in the procedures outlined in this bill will result in a more expeditious paternity and support establishment process. Furthermore, child support enforcement methods will be greatly strengthened.

Your Committees received testimony in support of this measure from the Attorney General, the Chairperson of the Board of Land and Natural Resources, and representatives of the Department of Human Services, the County of Hawaii, and the County of Kauai. Testimony received from the Director of the Office of Information Practices expressed concern over the wide scope of power given to the Child Support Enforcement Agency (CSEA) to collect and maintain information about newly hired persons.

Upon further consideration, your Committees have amended this measure to clearly define the amount of the arrearage that will constitute overdue support for purposes of license suspension or denial. Obligor who are overdue in support for a three-month period will be subject to having their drivers' and recreational licenses suspended or denied. Obligor who are overdue in support for a six-month period will be subject to having their professional and vocational licenses suspended or denied.

Your Committees believe that the most expedient means to achieve the desired effect of having parents meet their child support obligations is to subject their driver's licenses to suspension as the suspension of professional and vocational licenses will interfere with the noncustodial parents' ability to make their child support payments. It is the belief of your Committees that persons behind in their child support payments will be sufficiently motivated by the prospect of having their drivers' licenses suspended to cooperate with the CSEA and start paying their child support.

While in agreement with the bill's intent to improve child support collections in Hawaii, your Committees believe that enforcement efforts can be further strengthened by imposing jail sentences and fines where obligors who have had their drivers' licenses suspended or denied continue to drive, and so have amended this measure accordingly.

Technical, nonsubstantive revisions to the bill have also been made for purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1588, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1588, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Jones, Menor and Saiki.

SCRep. 982 Judiciary on H.B. No. 789

The purpose of this bill is to change the training requirements for a permit for a pistol or revolver to require at least two hours of firing training at a firing range and a total of at least four hours of classroom instruction.

Your Committee received testimony on this bill from the Honolulu Police Department, the Hawaii Citizens' Rights Political Action Committee, the Hawaii Rifle Association and several concerned citizens.

Your Committee finds that the three-hour firing range training requirement in the present law is problematic. Firearms training instructors report that the three-hour requirement not only wastes time, but the distractions and fatigue factors during live firing degrade the learning atmosphere after two hours. Much of the safe gun handling requirements of the courses are better taught in a classroom situation using dummy ammunition and dry fire techniques.

Your Committee has amended this bill, as recommended by the Honolulu Police Department, to include certified military firearms instructors among the instructors allowed to provide firearm training necessary to obtain a permit to acquire a pistol or revolver.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 789, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 789, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Menor.
(Representative Thielen voted no.)

SCRep. 983 Judiciary on H.B. No. 179

The purpose of this bill is to:

- (1) Provide that a person commits the offense of promoting pornography to a minor if the person promotes pornography to a minor without having tried to ensure that the intended viewer is not a minor by checking appropriate identification, and having received such identification, fails to make reasonable efforts under the circumstances to ascertain that the identification is not falsified;

- (2) Create a mitigating circumstance to the offense if the defendant first obtained appropriate identification and made reasonable effort under the circumstances to ascertain that the identification was not falsified; and
- (3) Give jurisdiction to the family court over a minor who falsifies identification or uses false identification for the purpose of viewing pornographic materials.

Your Committee received testimony from the Department of the Prosecuting Attorney opposing this bill and from the Office of the Public Defender suggesting amendments to the measure.

Your Committee finds that the obtaining of identification and the requirement to make reasonable efforts to ascertain that the identification is not falsified may tend to deter the promotion of pornography for minors.

Your Committee has amended the bill by:

- (1) Deleting the word "defense," and substituting the phrase "mitigating circumstance," in the proposed subsection (3) of section 712-1215, Hawaii Revised Statutes, in the interest of definitional integrity; and
- (2) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 179, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 179, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Menor and Pendleton.

SCRep. 984 Judiciary on H.B. No. 1300

The purpose of this bill, as received by your Committee, is to:

- (1) Include a definition of "violent offense" in section 706-606.5, Hawaii Revised Statutes (HRS);
- (2) Provide for certain specified mandatory minimum terms of imprisonment without the possibility of parole for repeat offenders convicted of various crimes when one or more of their previous convictions was a "violent offense" as defined in section 706-606.5, HRS, including mandatory life imprisonment without release from confinement for a conviction of murder, murder in the second degree, attempted murder, attempted murder in the second degree, or a class A felony with two prior convictions of violent offenses; and
- (3) Repeal the court's authority to impose a lesser mandatory minimum term of imprisonment without the possibility of parole where strong mitigating circumstances warrant such action.

Your Committee received testimony from the Office of the Public Defender commenting on the proposal.

Your Committee finds that it is inappropriate to include a conviction for any class A felony under the provision mandating life imprisonment without the possibility of release from incarceration. Such a sentence should be reserved for the most heinous offenses under the Hawaii Penal Code, such as murder and murder in the second degree.

Your Committee also believes that the court should be allowed the discretion to impose a lesser mandatory minimum sentence upon a finding of strong mitigating circumstances.

Your Committee has therefore amended the bill by:

- (1) Providing for a mandatory minimum term of life imprisonment with the possibility of parole for repeat offenders convicted of a class A felony with two prior convictions for violent offenses;
- (2) Retaining the provision which allows the court to impose a lesser sentence upon a finding, in writing, of strong mitigating circumstances, and
- (3) Making technical nonsubstantive changes for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1300, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1300, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Menor and Pendleton.

SCRep. 985 Judiciary on H.B. No. 1604

The purpose of this bill, as received, is to:

- (1) Implement the so called Truth-in-Sentencing initiative by mandating that all felons serve at least eighty five percent of their prison sentences before being eligible for parole or other release from confinement;
- (2) Give the court a range from which to select an appropriate sentence; and
- (3) Adopt various amendments to the repeat offender statutes and other provisions in the current sentencing laws.

Your Committee received testimony from the Attorney General, the Department of the Prosecuting Attorney, the Department of Public Safety, and various other organizations and individuals in support of the intent or purpose of the bill.

Your Committee also received testimony from the Office of the Public Defender questioning the need for such legislation and suggesting that the current system of sentencing and incarceration does not require the changes set forth in the proposed Truth-in-Sentencing package.

Your Committee finds that the public, concerned for its safety, is demanding tougher sentences, especially for violent and repeat offenders. Early release programs are increasingly being implemented in response to prison overcrowding, court ordered population ceilings, and other population management control practices. The experience of the State even includes sending certain inmates to out-of-state facilities.

This need for additional confinement space is unlikely to abate as the Department of Public Safety already projects the need for 1,000 additional beds by the year 2004. They are also saying that if truth-in-sentencing laws are enacted and the current rate of incarceration is sustained, the State should immediately begin the construction of a 1,500 bed male facility and a 500 bed female facility.

Your Committee has studied the federal Violent Crime Control and Law Enforcement Act which contains the Violent Offender Incarceration and Truth in Sentencing Incentive Grants Program. The primary purpose of this program is to provide funds to states to build or expand correctional facilities to increase the bed capacity for the confinement of violent criminals.

States are eligible for these funds if they can demonstrate that they have implemented truth-in-sentencing laws which require that persons convicted of violent crime serve not less than 85% of the sentence imposed.

Your Committee finds that the bill, as received, goes far beyond the parameters set forth by the Federal legislation. The bill would subject all felons to the 85% benchmark, and would adopt arbitrary changes throughout existing sentencing laws.

Your Committee is cautious when it comes to the wholesale alteration of existing law. Your Committee, however, is not adverse to ensuring that repeat and violent felons have adequate facilities in which to serve appropriate prison terms. In this regard, your Committee fully concurs with the intent of the Federal truth-in-sentencing program.

Your Committee has therefore amended the bill to reflect the purpose of the Federal legislation by:

- (1) Requiring that violent felons serve 85% of their sentence of imprisonment before being eligible for parole;
- (2) Making changes to the sentencing law to ensure that repeat offenders, felons who use handguns, and felons who prey upon the elderly, disabled, or very young, serve prison terms appropriate to the heinous status of their offenses;
- (3) Increasing the range in which a judge may sentence a felon from 10-20 years for a class A felony and from 5-10 years for a class B felony, to 12-20 years and 7-10 years, respectively;
- (4) Changing the effective date to July 1, 1998 in order to give the correctional system time to prepare for the increased need for bedspace;
- (5) Keeping all other sentencing provisions of the current law intact, but subject to the requirements of truth-in-sentencing; and
- (6) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1604, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 986 Judiciary on H.B. No. 2308

The purpose of the measure, as received by your Committee, is to:

- (1) Make technical corrections to the Uniform Probate Code, to prohibit intestate inheritance by any parent who had failed to support his or her deceased child during the child's life; and
- (2) Make other provisions to simplify probate law and procedures.

Testimony in support of the measure, with suggested additional amendments to the Uniform Probate Code, was received by your Committee from an attorney whose practice involves probate and estate matters.

No one testified in opposition to the measure.

Your Committee finds that parents who have failed to support their children during life should not inherit from them when the child dies before reaching the age of majority.

Your Committee, in considering both the measure before it and additional changes of a technical nature to the Probate Code, proposed during the hearing on the bill that additional corrections to the Probate Code will serve to clarify and simplify probate law and procedures.

Your Committee has amended the measure by:

- (1) Substituting the word "or" for "and" in the language dealing with persons who are qualified to be personal representatives;
- (2) Deleting certain language which was inadvertently repeated in the Probate Code, involving termination with respect to a right of interest in property;
- (3) Deleting certain language involving the augmented estate which inadvertently repeated language already stated in the Probate Code;
- (4) Correcting a statutory reference in the language dealing with exceptions to the "survival by one hundred twenty hours" rule;
- (5) Deleting a provision with respect to the registrar granting requests for statutory allowances and exempt property, and appointing a personal representative subject to acceptance in informal probate cases;
- (6) Clarifying that the advance notice in informal probate practice shall note the date on or after which the registrar will act on the application;
- (7) Clarifying the language dealing with the subject of when bonds are required, by separating the language into two subsections;
- (8) Changing the reference from the registrar to the court in cases where a demand is made for bond;
- (9) Eliminating the brackets around the word "personality" in the provision dealing with heirs, devisees, or claimants who cannot be found;
- (10) Eliminating the proposed changes to the effective date; and
- (11) Making more specific the circumstances under which a parent can be deemed to have predeceased his or her child.

In addition, technical, nonsubstantive changes were made for the purpose of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2308, HD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2308, HD 2, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 987 Judiciary on H.B. No. 2305

The purpose of this bill is to create the offense of forgery if a person fraudulently encodes the magnetic ink character recognition numbers on a written instrument.

The Honolulu Police Department testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2305 and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Menor and Pendleton.

SCRep. 988 Judiciary and Public Safety and Military Affairs on H.B. No. 1087

The purpose of this bill is to require any person sentenced to imprisonment for up to one year to serve their full term of residential custody.

The Judiciary testified in support of the bill. The Office of the Public Defender commented on the measure.

Under current law, the Department of Public Safety has the authority to release any inmate under conditional release or furlough statutes. Judges impose sentences after full consideration of relevant circumstances. Early release by the Department of Public Safety has the effect of undermining the objectives of the Judiciary and ultimately erodes the credibility of the court.

Your Committees have amended this bill by clarifying that the person sentenced for a term of imprisonment of up to one year may not be released to any furlough or work furlough, conditional release center, or similar program unless prior court approval is obtained when prior approval is specifically required in the court's commitment order.

As affirmed by the records of votes of the members of your Committees on Judiciary and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1087, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1087, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Cachola, Menor, Saiki, Yoshinaga, Kawanakoa and Pendleton.

SCRep. 989 Judiciary on H.B. No. 396

The purpose of this bill is to permit an heir or legatee to transfer a firearm directly to a dealer licensed under firearms law or by the United States Department of the Treasury without complying with the requirements for a permit to acquire a firearm.

Your Committee received testimony on this bill from the Honolulu Police Department, the Hawaii Citizens' Rights Political Action Committee, the Hawaii Rifle Association and several concerned citizens.

Your Committee finds that at the present there is no statutory provision allowing the inheritance of firearms. It is unlawful to acquire a firearm without first obtaining a permit. The process is complicated and lengthy. Most bereaved relatives have no idea of their responsibility under the law. This bill would allow heirs to lawfully dispose of firearms they don't want or allow them to legally register inherited firearms if they wish to acquire them.

Your Committee has amended this bill to require the heir or legatee to provide the firearm dealer proof of death and other relevant information regarding the ownership of the firearm.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 396, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 396, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representative Menor.

SCRep. 990 Judiciary on H.B. No. 1387

The purpose of this bill is to repeal sections of the Hawaii Revised Statutes relating to the driver licensing point system.

Your Committee received testimony on this bill from the Judiciary and from the Public Defender.

Your Committee finds that the driver license point system is a remnant of the pre-decriminalization era and no longer functions usefully in the adjudication of offenses. Your Committee finds that the point system should be repealed for the following reasons:

- (1) Points have no legal import. They purport to represent the relative seriousness of various traffic offenses. Nonetheless, the assignment of points ultimately rests on judicial discretion;
- (2) The sanctions in the statutes corresponding to an accumulation of varying numbers of points presently are available to district court judges; points do not allow the courts to do anything more than they can already do under the remaining motor vehicle statutes, and judges may, in fact, impose greater sentences as provided by law;
- (3) The point system set forth in section 286-128, Hawaii Revised Statutes, is separate from uniform point systems constructed by insurance companies; contrary to the perception of some citizens, the two are not correlated;
- (4) Eliminating the point system will have no impact on the receipt of federal highway funds; it is not a requirement of the federal code that a state have a point system to evaluate motorists; and
- (5) As a practical matter, the point system is costly for the courts to maintain and difficult to administer.

Your Committee has amended this bill by:

- (1) Revising or repealing additional sections of the Hawaii Revised Statutes referring to the point system which were inadvertently overlooked in the first draft of the bill; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1387, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 991 Judiciary on H.B. No. 1453

The purpose of this bill is to clarify waivers of liability and indemnity agreements for motorsports participants.

Your Committee received testimony on this bill from the Consumers Lawyers of Hawaii, the Hawaii Motorsports Association, Inc., and the Estate of James Campbell, as well as other motorsports associations, businesses, and motorsports enthusiasts.

Your Committee finds that this bill would make waivers, releases, and indemnification agreements enforceable by acknowledging that motorsports participants assume a risk when engaging in dangerous activities. Without the benefit of this measure, participants may continue to file frivolous lawsuits in which they fail to accept responsibility for their own actions, thus jeopardizing the future of motorsports events.

Upon further consideration, your Committee has amended this bill to:

- (1) Clarify that the owners and lessors of motorsports facilities are immune from liability, with respect to participants who have executed waiver agreements;
- (2) Define the term "owner";
- (3) Amend the definition of "motorsports facility" to include land;
- (4) Exclude acts of gross negligence from the immunity provided under the bill; and
- (5) Make technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1453, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1453, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 992 Consumer Protection and Commerce on H.B. No. 1738

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to identify commercial marine dealers to facilitate the monitoring of aquatic life in the State by:

- (1) Authorizing DLNR to license commercial marine dealers;
- (2) Providing DLNR flexibility to exempt certain commercial marine dealers from making monthly reports;
- (3) Increasing the period of time to twenty-four months that commercial marine dealers are required to keep receipts; and
- (4) Authorizing DLNR to establish rules for these purposes.

The Board of Land and Natural Resources submitted testimony in support of the intent and purpose of this measure. The Boat Owners Association of the State of Hawaii submitted comments on this measure.

Your Committee believes that this bill will assist DLNR in identifying commercial marine dealers in the State.

Upon careful consideration, your Committee has amended this measure by:

- (1) Clarifying that only DLNR conservation officers may demand inspection of any receipts for the sale of marine products; and
- (2) Making technical, nonsubstantive amendments for purposes of consistency and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1738, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1738, HD 1.

Signed by all members of the Committee except Representatives Case, Herkes, Tom, Aiona and Kawanakoa.

SCRep. 993 Consumer Protection and Commerce on H.B. No. 1244

The purpose of this bill is to reduce air emissions and improve air quality by requiring the Director of Health (Director) to adopt rules to establish an Emissions Reduction Credit Banking and Trading Program (Program) for owners and operators of covered sources within and between facilities.

Testimony in support of this measure was received by the Western States Petroleum Association, the Hawaiian Electric Company, and Chevron Companies. Your Committee received comments by the Department of Health. The Sierra Club, Hawaii Chapter, submitted testimony in opposition of this measure.

A Program would encourage existing industrial facilities to reduce emissions and give the flexibility to build necessary new plants where the current level of emissions preclude the permitting of additional facilities. This Program is suited for areas that are in nonattainment with the national ambient air quality standards. In these nonattainment areas, trading of emission credits is necessary since all new major sources are federally required to have a net emissions reduction as a condition for a permit approval.

Industries, especially large industries, would purchase and sell emission credits with the permitting agency overseeing and regulating the transactions. The emission credits are managed and treated as a commodity and would involve

millions of dollars. Establishing and administering this exchange program is resource intensive and would require a detailed accounting and tracking system.

After careful consideration, your Committee has amended this measure by deleting its substance and inserting new language amending section 342B-21, Hawaii Revised Statutes, to require the Director of Health to permit emissions trading where the emissions trades are quantifiable, enforceable, and otherwise consistent with the Clean Air Act and its implementing regulations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1244, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1244, HD 2.

Signed by all members of the Committee except Representative Tom.

SCRep. 994 Consumer Protection and Commerce on H.B. No. 387

The purpose of this bill is to allow nurses to more easily pursue alternatives in meeting the future health care needs of the people in Hawaii by including nurses in the Professional Corporations Act.

Supportive testimony was received from the Hawaii Nurses' Association.

The Hawaii Nurses' Association submitted testimony stating that the Professional Corporations Act allows professionals to incorporate, but prohibits nonprofessionals from holding shares or leadership positions on a corporation's board of directors. However, the trend in health care, particularly primary and preventative care and care to those with chronic illnesses will be provided in organized community settings. The inclusion of registered nurses in the Professional Corporations Act will allow registered nurses to more easily pursue this future alternative without being concerned about allegations that they are engaging in the corporate practice of nursing.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 387 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Cachola and Tom.

SCRep. 995 Consumer Protection and Commerce on H.B. No. 1488

The purpose of this bill, as received by your Committee, was to:

- (1) Extend the licensing period for family child care homes, group child care homes, and group child care centers from one year to two years;
- (2) Define a "family child care home" as a private home at which care can be provided for three to no more than six children who are unrelated to the caregiver by blood, marriage, or adoption, at any given time; and
- (3) Extend the length of time a temporary permit may be granted to group child care homes and centers to a total time of twenty-four months.

People Attentive to Children (PATCH) submitted testimony in support of this measure. The Department of Human Services submitted testimony in support of the intent of this measure.

Upon careful consideration, your Committee has amended this measure by:

- (1) Providing that the Department of Human Services may cease to inspect or visit group child care homes and centers and family child care homes provided that:
 - (A) The homes or centers have been licensed or registered for not less than four years; and
 - (B) No complaints have been received regarding the care providers; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1488, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1488, HD 2.

Signed by all members of the Committee except Representative Tom.

SCRep. 996 Consumer Protection and Commerce on H.B. No. 1819

The purpose of this bill is to clarify the labeling and refill requirements for prescription drugs.

Comments were submitted by the Department of Health and Longs Drug Stores. The Hawaii Pharmaceutical Association submitted testimony in opposition to this bill.

Your Committee has amended this bill by:

- (1) Providing that refill prescription requirements apply only to pharmacies practicing in the State; and
- (2) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1819, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1819, HD 1.

Signed by all members of the Committee except Representative Tom.

SCRep. 997 Consumer Protection and Commerce and Judiciary on H.B. No. 2

The purpose of this bill is to strengthen the enforcement provisions of the state motor carrier law by making shippers and consignees who engage the services of illegal motor carriers subject to both criminal and civil penalties.

The Hawaii Transportation Association and the Department of Transportation submitted testimony in support of this measure. The Public Utilities Commission submitted testimony in support of the intent of this measure.

Your Committees believe that the imposition of civil penalties, in particular, on shippers and consignees who engage the services of illegal motor carriers will significantly reduce the number of illegal motor carrier operations in the State.

Upon careful consideration, your Committees have amended this measure by:

- (1) Ensuring that the revisions to this bill continue beyond June 8, 1998, by making Act 105, Session Laws of Hawaii 1995, permanent; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2, HD 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2, HD 2.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 998 Consumer Protection and Commerce and Judiciary on H.B. No. 1817

The purpose of this bill is to increase the effectiveness and efficiency of the health care system by allowing a prescription to be transmitted by electronic means within the confines of the State.

Specifically, this bill:

- (1) Establishes minimum requirements for the transmission and recordkeeping of prescriptions transmitted through facsimile or computers;
- (2) Establishes requirements to ensure these records are maintained in a confidential and secure manner; and
- (3) Contains a sunset provision to allow the law to be evaluated after four years.

The Department of Health, Kaiser Permanente, and Longs Drug Stores submitted testimony in support of this measure. The Hawaii Pharmaceutical Association and the Hawaii Medical Service Association submitted testimony in support of the intent of this measure.

Your Committees believe that the electronic transmission of prescriptions will help doctors and pharmacists monitor the medications a patient is taking and eliminate errors pharmacists make due to illegible prescriptions. Additionally, this bill makes it more difficult to alter prescriptions and reduces the cost of health care by increasing the efficiency of the drug prescribing and dispensing process.

Your Committees recognize that for financial or other reasons, some individuals with chronic conditions may need the option of filling their prescriptions out-of-state. Therefore, your Committees have amended the bill by removing the restriction that authorizes the filling of prescriptions only within the confines of the State.

In addition, your Committees have made technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1817, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1817, HD 1.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 999 Consumer Protection and Commerce and Judiciary on H.B. No. 879

The purpose of this bill is to:

- (1) Prohibit unaccredited institutions from issuing juris doctor (J.D.), master of laws (LL.M.), or medical doctor (M.D.) degrees or any equivalent or comparable degrees;

- (2) Prohibit accredited institutions from issuing juris doctor and master of laws degrees unless they are accredited by the American Bar Association;
- (3) Provide that the commission of a practice prohibited by chapter 446E, Hawaii Revised Statutes (HRS), will constitute an unfair or deceptive act or practice under section 480-2, HRS; and
- (4) Make certain housekeeping amendments to chapter 446E, HRS.

The Department of Commerce and Consumer Affairs, the University of Hawaii, and the University of Phoenix submitted testimony in support of this measure.

Your Committees find that this measure will serve to protect the public from unscrupulous operators of unaccredited degree granting institutions through the prohibition of certain practices and by providing the means by which the provisions of chapter 446E, HRS, may be enforced.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 879, HD 1 and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 1000 Consumer Protection and Commerce and Judiciary on H.B. No. 884

The purpose of this bill is to repeal the requirement mandating unaccredited institutions to register with the Department of Commerce and Consumer Affairs.

The Department of Commerce and Consumer Affairs and the University of Hawaii Professional Assembly submitted testimony in support of this measure. Comments were submitted by the University of Hawaii.

Your Committees believe that this bill would help to eliminate the misconception that sometimes exists in the public that the State certifies certain unaccredited institutions. Furthermore, your Committees find that this bill reinforces current state law, which does not license, approve, or regulate unaccredited institutions. Specifically, section 446E-5, Hawaii Revised Statutes, states: "No unaccredited institution shall refer to registration under this chapter, compliance with the requirements of this chapter, or to any agency or employee of the State in a manner which suggests that the State licenses, approves, or regulates its operations."

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 884, HD 1, and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Hiraki, Pendleton, Thielen and Whalen.

SCRep. 1001 Judiciary on H.B. No. 20

The purpose of this bill is to establish a graduated licensing procedure for persons under seventeen years of age.

The Department of Transportation, the Honolulu Police Department, the Department of Finance for the City and County of Honolulu, the Hawaii Medical Association, Mothers Against Drunk Driving (MADD), the National Association of Independent Insurers, the Hawaii Insurers Council, State Farm Insurance Companies, the Automobile Club of Southern California, the American Academy of Pediatrics, several members of MADD Youth in Action, and a member of the public testified in support of this bill.

Your Committee has amended this bill by deleting its contents and replacing it with:

- (1) Requiring an applicant to hold a valid instruction permit for no fewer than ninety days before being allowed to take the driver's licensing exam; and
- (2) Specifying that a person is required to obtain an instructional permit regardless of whether that person is adept at driving or whether that person is in need of instruction; and
- (3) Changing the effective date from January 1, 1998 to July 1, 1997.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 20, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 20, HD 1.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Menor and Pendleton.

SCRep. 1002 Judiciary on H.B. No. 631

The purpose of this bill is to allow a designated individual to make and communicate health care decisions for a person who:

- (1) Previously had the ability, but no longer has the ability, to understand the significant benefits, risks, and alternatives to proposed health care, and to make and communicate health care decisions;

- (2) Resides in a skilled nursing or intermediate care facility; and
- (3) Has not executed a health care directive for health care decisions.

Your Committee received testimony in support of the bill from representatives of the Department of Human Services, the Hawaii Long Term Care Association, the Hawaii Medical Association, the Healthcare Association of Hawaii, the Hawaii Catholic Conference, a number of other organizations, and several private citizens.

Your Committee received testimony in opposition to the measure or testimony expressing concern over the measure from representatives of the Executive Office on Aging, the Protection and Advocacy Agency of Hawaii, the Archbishop Fulton J. Sheen Foundation, several other organizations, and several private citizens.

Your Committee believes that it is often unnecessarily expensive and time-consuming to apply for a court appointed guardian in every case where an individual has become incapacitated but has made no prior health care directive, simply because the family consent practice of the community lacks a legal statutory basis.

At the same time, however, your Committee is concerned that the rights exercised by the surrogate on behalf of the patient, especially in the absence of a court proceeding, should not be directed towards withholding food, water, or ordinary and usual medical care and treatment from the incapacitated patient.

It is not your Committee's intent to alter, by this measure, the law as it relates to persons who have executed valid health care directives or the law as it relates to the powers of a guardian appointed by the court.

With these concerns in mind, and to further clarify the purpose and intent of the measure as a pilot project, your Committee has amended the measure by:

- (1) Clarifying, in the purpose section of the bill, that because of dynamic changes in the health care environment, current law does not adequately address the needs of certain individuals;
- (2) Adding to the definition of "capacity" the ability to understand the burdens of proposed health care;
- (3) Changing the definition of "health care decision" in such a way as to exclude actions which are prohibited by the chapter;
- (4) Clarifying the definition of "legal surrogate";
- (5) Substituting, in the definition of "supervising health care professional" the term "state recognized advanced practice registered nurse" for "licensed advanced practice registered nurse";
- (6) Eliminating the list of those who assist in the process of designating a legal surrogate and substituting instead of list of persons with priority to designate himself or herself as the legal surrogate and providing that if a person on the list objects to the designation, the guardian shall be designated as the surrogate;
- (7) With respect to the review of the legal surrogate's decision, changing the reference from "attending physician" to "supervising health care professional";
- (8) Providing that no legal surrogate shall have the power to consent to or order the withdrawal of either natural or artificial hydration and nutrition or to consent to or order actions or inaction which would eliminate the provision of ordinary and usual medical care or treatment;
- (9) Clarifying that the immunities provided do not apply to actions taken which are prohibited by the chapter;
- (10) Changing the list from which the governor shall consider appointing representatives to the surrogate decision making committee;
- (11) Providing that the Act will be repealed on June 30, 1999; and
- (12) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 631, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 631, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Menor and Whalen.

SCRep. 1003 Judiciary on H.B. No. 19

The purpose of this bill is to provide uniform guidelines for parking spaces reserved for disabled persons.

Your Committee received testimony from the Commission on Persons with Disabilities, the Department of Transportation, the County of Hawaii Police Department and various individuals in support of this bill.

Your Committee finds that there is a need for standardized penalties, signage, and markings regarding parking for disabled persons throughout the State.

Your Committee also believes that fines of not less than \$150 nor more than \$300 will provide sufficient deterrence to illegal parking in stalls reserved for the disabled, and has amended the bill to reflect these dollar amounts.

This bill has been further amended by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 19, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 19, HD 2.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1004 Judiciary on H.B. No. 761

The purpose of this bill, as received by your Committee on Judiciary, is to establish a procedure to allow proof of safety inspection compliance after receipt of a citation and to waive the fine if proof of compliance is received by the court.

Your Committee received testimony on this bill from the Judiciary.

Your Committee finds the main intent of the law is for motor vehicle owners to obtain timely safety inspections. This measure allows those who fail to obtain inspections two days to obtain an inspection and avoid a fine.

Your Committee has amended this bill to clarify that the district court, rather than the circuit court, has jurisdiction over traffic infractions. The provision which required a processing fee has also been deleted with the concurrence of the Judiciary.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 761, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 761, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1005 Judiciary on H.B. No. 371

The purpose of this bill is to:

- (1) Grant civil liability immunity to an employer who, in good faith, discloses information on a former employee's job performance to a prospective employer; and
- (2) Create a presumption that the employer acted in good faith unless a lack of good faith is shown by clear and convincing evidence. The lack of good faith is demonstrated by a showing that the former employer supplied information that was knowingly false or deliberately misleading.

The Department of Human Resources Development, the Hawaii Civil Rights Commission, the Healthcare Association of Hawaii, the National Federation of Independent Business, the Hawaii Business League, the Retail Merchants of Hawaii, the Hawaii Bankers Association, the Hawaii Restaurant Association, Aloha Airlines, and Liberty House testified in support of the bill. The Office of Information Practices, and the National Employment Lawyers Association, Hawaii Chapter commented on the measure. The Hawaii Nurses' Association opposed the measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 371, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 371, HD 2.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Menor and Pendleton.

SCRep. 1006 Judiciary on H.B. No. 636

The purpose of this bill is to set forth acceptable tolerances for discrepancies in structure or improvement positions relative to property boundaries for various classes of real property.

Your Committee received testimony on this bill from the Department of Accounting and General Services ("DAGS"), the Hawaii Association of Realtors, title insurance companies and surveyors.

Your Committee finds that, as a consequence of improved survey technology, many recent property surveys indicate minor encroachments between adjoining properties. Although many of these encroachments are only a few inches, real property owners have had to spend significant amounts of money to move fences or walls by less than an inch, or retain the services of an attorney to obtain an encroachment agreement. This Act establishes de minimus tolerances to avoid the need for encroachment agreements or for costly rectification when these minor structure position discrepancies are found.

Your Committee has amended this bill as follows:

- (1) A provision has been added to clarify which property owner, in the case of an encroachment, is responsible for maintenance and repair, as well as liability for the improvement;

- (2) The amount of discrepancy in location of the improvement from the property line has been increased to accommodate most of the situations commonly encountered. The bill is clarified to indicate that survey boundary tolerances must still be quite exact; only the de minimus encroachments by such things as walls and sidewalks will now be tolerated;
- (3) County land is included in the purview of the bill but state land is exempted as requested by DAGS. Shoreline boundaries are also excluded; and
- (4) Technical, nonsubstantive amendments have been made for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 636, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 636, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1007 Judiciary on H.B. No. 1745

The purpose of this bill, as received by your Committee on Judiciary, is to reduce the maximum penalty for any person violating a rule adopted pursuant to chapter 200, Hawaii Revised Statutes, from that of a misdemeanor to a petty misdemeanor.

Your Committee received testimony on this bill from the Department of Land and Natural Resources ("DLNR") and from a concerned citizen.

Your Committee finds that, due to requests for jury trials by offenders cited under misdemeanor boating violations, court backlogs have occurred. These delays can be avoided by reducing the charges for these violations to petty misdemeanors.

Your Committee has amended this bill, at the request of DLNR, by:

- (1) Establishing a minimum fine of \$100; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1745, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1745, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1008 Judiciary on H.B. No. 233

The purpose of this bill is to allow a licensed hunter to carry and use an unconcealed and lawfully acquired pistol or revolver while engaged in hunting game mammals.

The National and Hawaii Rifle Associations, the Hawaii Citizens' Rights Committee, the Hunting Shop of Kauai, and several members of the public testified in support of the bill. The Department of Land and Natural Resources commented on the bill. The Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Hawaii State Commission on the Status of Women, the Hawaii Firearms Control Coalition, and a member of the public opposed the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 233 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Menor.
(Representatives Case, Hiraki, Lee and Thielen voted no.)

SCRep. 1009 Judiciary on H.B. No. 22

The purpose of this bill is to establish implied consent provisions for driving under the influence of drugs.

Your Committee received testimony in support of this bill from Mothers Against Drunk Driving, the County of Maui, the City and County of Honolulu, Clinical Laboratories of Hawaii, the Department of Transportation and various other individuals.

Your Committee also received testimony from the Office of the Public Defender suggesting amendments to the measure.

Your Committee finds that driving under the influence of drugs is a serious problem in our community. The enactment of this bill would assist law enforcement in prosecuting these offenders and also provide a measure of deterrence, similar to current law regarding driving under the influence of intoxicating liquor.

Your Committee has amended the bill by deleting the words "shall create a presumption," and inserting the phrase "shall be competent evidence," in section 286-D of the proposal. This language tracks current statutory language regarding driving under the influence of intoxicating liquor.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 22, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 22, HD 1.

Signed by all members of the Committee except Representatives Cachola, Menor and Pendelton.

SCRep. 1010 Judiciary on H.B. No. 967

The purpose of this bill, as referred to your Committee on Judiciary, is to implement changes in the law regulating recreational and commercial uses of Kaneohe Bay which were recommended in the Kaneohe Bay Master Plan (Plan).

Your Committee received testimony on this bill from the Department of Land and Natural Resources (DLNR), the Office of Hawaiian Affairs, the Office of Planning of the Department of Business, Economic Development and Tourism, the Kaneohe Neighborhood Board, the Sierra Club, and several recreational business owners and concerned citizens.

Your Committee finds that DLNR has failed to implement the recommendations of the Kaneohe Bay Task Force (Task Force), which was created by Act 208, Session Laws of Hawaii 1990. Your Committee received an opinion from the Department of the Attorney General the day before its hearing on this measure. Significantly, the opinion declared that the community-based Plan, which was produced by the Task Force, bound DLNR to follow the Plan's recommendations when the Plan was approved by the Office of State Planning in 1992.

Accordingly, your Committee has amended this bill to:

- (1) Eliminate the provisions requiring that DLNR take certain specific action as the Attorney General's opinion makes it clear that DLNR is obligated to implement the recommendations of the Plan;
- (2) Require the DLNR to adopt rules in accordance with the Plan in consultation with the Kaneohe Bay Regional Council; and
- (3) Make technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 967, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 967, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1011 Judiciary on H.B. No. 112

The purpose of this bill is to permit the testimony of victims and witnesses via two-way closed circuit video.

The Mayor of the City and County of Honolulu, the Honolulu Police Department, the Honolulu Japanese Chamber of Commerce, the Hawaii Hotel Association, and the Macnaughton Group testified in support of the bill. The Attorney General, the Department of Business, Economic Development, & Tourism, the Prosecuting Attorney of the City and County of Honolulu, and the Crimes Against Tourist Task Force supported the intent of the bill.

The Judiciary, the Judiciary Standing Committee on the Rules of Evidence, and the Office of the Public Defender commented on the measure.

Your Committee finds that the crime rate has risen greatly over the past few years. People who would not think twice about leaving their doors unlocked twenty years ago now feel the necessity to purchase pepper spray for their own defense. The public's perception of the State's ability to protect them and their families has gradually eroded.

Currently, crimes against our residents and against visitors to our state go unpunished because victims and witnesses are unable or unwilling to return to Hawaii from their homes in the continental United States or in other countries. Also, many of our own residents are unable to testify in court because of physical impairments. There is a growing trend toward victimizing persons, whether visitors or residents, because of a perception on the part of the criminal that crimes against visitors or impaired persons are less likely to result in trial.

Your Committee recognizes the Legislature as the policy making body of our government must reverse this alarming trend and take whatever measures are necessary to deter criminal activities as well as bring criminal perpetrators to justice.

The State's inability to prosecute crimes against visitors decreases the quality of life for residents of the State by reducing confidence in public safety when crimes are committed without fear of punishment.

Your Committee further finds that there is a compelling public interest to protect our citizens by ensuring that the State has the ability to prosecute those persons who commit crimes against visitors.

By allowing the use of live, two-way simultaneous, real-time video and audio transmission, a witness who would otherwise be unable to testify in court can present testimony before the judge, defendant, and trier of fact with the same guarantee of trustworthiness as would be present if the witness were physically present in the courtroom.

Your Committee further finds that a system of live, two-way simultaneous, real-time video and audio transmission provides all the elements necessary so as to satisfy the requirements of the confrontation clause of the United States and

Hawaii Constitutions. The method of videoconferencing adopted in this bill is, for all practical and legal purposes, the equivalent to face-to-face confrontation.

Your Committee has amended this bill by:

- (1) Clarifying that the Legislature finds a compelling State interest in protecting our citizens by ensuring that the State has the ability to prosecute those persons who commit crimes against visitors;
- (2) Deleting the amendment to Rule 616 of the Hawaii Rules of Evidence;
- (3) Clarifying that victims and witnesses have the right to testify at trial by televised two-way closed circuit video to be viewed by the court, the accused, and the trier of fact; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 112, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 112, HD 2.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1012 Judiciary on H.B. No. 1579

The purpose of this bill is to allow the Department of Agriculture (DOA) to publish a notice in a daily or weekly publication of general circulation, to notify landowners of the department's intent to enter private property for the control and eradication of pests and other organisms declared as pests by emergency rule.

DOA testified in favor of this bill and suggested language setting forth criteria which would initiate the notice by publication provisions.

Your Committee finds that the notice by publication procedure is necessary to expedite the department's pest control and eradication efforts. Your Committee also finds that the suggested amendments will clarify when the procedure may be utilized.

At the same hearing, DOA also testified in support of HB1578 HD1, which would explicitly grant state and county law enforcement officers the authority to enforce violations of chapter 142, Hawaii Revised Statutes, relating to Animals, Brands and Fences, by citation and summons.

Your Committee finds that this measure will ensure the effective enforcement of the provisions of chapter 142.

Your Committee notes, however, that HB1578 HD1 may be legally flawed in that its title relates to two subjects.

Accordingly your Committee has amended the bill by:

- (1) Including the amending language suggested by the department;
- (2) Inserting the provisions of HB1578 HD1 so as to preclude legal challenge; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1579, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1579, HD 1.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1013 Judiciary on H.B. No. 92

The purpose of this bill, as received by your Committee on Judiciary, is to:

- (1) Regulate the registration of special interest vehicles;
- (2) Define the term "special interest vehicle" to mean a vehicle of any age that, because of its significance, is being collected, preserved, restored, or maintained by a collector;
- (3) Include a street rod vehicle and a street rod replica vehicle;
- (4) A vehicle manufactured before 1949;
- (5) A vehicle manufactured after 1948 to resemble a vehicle manufactured before 1949; and
- (6) Exempts special interest vehicles from requirements for reconstructed vehicles.

Your Committee received testimony in support of the bill from the City and County of Honolulu, Finance Department, the Hawaii Automotive Retail Gasoline Dealers and many interested citizens.

Your Committee finds that special interest vehicles are a part of the American tradition which should be fostered by eliminating obstacles in the registration of such automobiles.

Your Committee has amended this bill at the request of the City and County of Honolulu to make clear that in the event of a conflict with the newly created subsection and chapters 286 and 291, Hawaii Revised Statutes, the new subsection shall control.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 92, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 92, HD 2.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1014 Judiciary on H.B. No. 88

The purpose of this bill, as referred to your Committee on Judiciary, is:

- (1) To prohibit operating a pickup truck with any passenger in the bed or load-carrying area, except in the case of an emergency, agricultural enterprise, business serving the public, parades, or pursuant to the authority of the Department of Transportation; and
- (2) To impose a fine of \$500 for each separate violation of operating a pickup truck with a passenger in the bed or load-carrying area.

Your Committee received testimony in support of this bill from the Department of Transportation, the Department of Health, the Honolulu Police Department, the Hawaii Nurses' Association, a professor from the University of Hawaii, the Commission on Persons with Disabilities, the Hawaii Insurers Council, AIG Hawaii Insurance Company, Inc., the Hawaii Medical Association, the Healthcare Association of Hawaii, Kapiolani Medical Center for Women & Children, the American Academy of Pediatrics - Hawaii Chapter, Inc., the Keiki Injury Prevention Coalition, Mothers Against Drunk Driving, the Hawaii Congress of Parents, Teachers, and Students, in addition to concerned attorneys, nurses, physicians, and citizens. A local business owner and the Department of Education Office of Accountability and School Instructional Support opposed the bill.

Your Committee finds that risk of riding in the bed of a pickup truck versus the benefit of providing alternative transportation analysis differs greatly from island to island. For example, on Oahu, we live in a community where one can ride the bus and be safely transported just about anywhere one might wish to go. Yet, on our neighbor islands no such transportation option exists. Many people would face great hardship if they do not own a second vehicle, yet must find a way to transport more than two or three people at a time in their only vehicle, a pickup truck. For this reason, the subject may need review on the local county level so that each county can decide for itself whether local conditions make such a ban inappropriate.

Your Committee has amended this bill by:

- (1) Including provisions to permit the counties to regulate or allow passengers to ride in the beds of pickup trucks;
- (2) Reduce the fine per separate violation from \$500 to not less than \$100 nor more than \$300; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 88, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 88, HD 2.

Signed by all members of the Committee except Representatives Menor and Pendleton.
(Representative Herkes voted no.)

SCRep. 1015 Judiciary on H.B. No. 131

The purpose of this bill is to propose a constitutional amendment to change the manner in which the Board of Education (BOE) is selected from an elected to an appointed board.

Your Committee received testimony in support of the proposal from the Hawaii Business Roundtable, the Chamber of Commerce of Hawaii, and the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. The Union, however, expressed reservations about the student member having voting rights.

Your Committee also received testimony from the Hawaii State Teachers Association and BOE in opposition to the bill.

Your Committee finds that an appointed BOE will ensure that the governor is ultimately responsible for the state of public education.

Your Committee has amended the bill by:

- (1) Retaining the status of the student on BOE as a nonvoting member;
- (2) Clarifying the language on the question to be printed on the ballot so as to avoid voter confusion; and

(3) Correcting a drafting error.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 131, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 131, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.
(Representatives Pendleton and Thielen voted no.)

SCRep. 1016 Judiciary on H.B. No. 1246

The purpose of this bill, as received by your Committee, is to require annual reports describing air pollutants to be sent to neighborhood boards and community associations in certain major industrial areas.

Testimony on this bill was received from the Department of Health (DOH), the City and County of Honolulu, the Hawaii Agriculture Research Center, and BHP Hawaii, Inc.

Your Committee finds that there is great public concern about the quality of air in communities in the vicinity of major industrial areas. Your Committee also finds that these communities can be informed of the pollutant emissions in their areas by requiring those generating large quantities of emissions to provide descriptive information.

Upon further consideration, your Committee has amended this bill to:

(1) Require DOH to:

(A) Collect and disseminate the needed information, rather than those generating the emissions; and

(B) Provide summaries of the information to make it more understandable to nontechnical readers;

and

(2) Make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1246, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1246, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1017 Judiciary on H.B. No. 1715

The purpose of this bill is to specify the penalties for the fraudulent use of electronic benefits transfer cards or similar debit-card type devices to obtain food stamp benefits.

The Department of Human Services supported the bill with a suggested amendment.

Your Committee has amended this bill by making a technical amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1715, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1715, HD 1.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1018 Judiciary on H.B. No. 116

The purpose of this bill is to provide for zero tolerance of drinking and driving for persons under the age of twenty-one.

Specifically, this bill creates a new offense for persons under the age of twenty-one driving with an alcohol concentration equal to or greater than .02 and less than .08.

Testimony in support of this bill was received from the Department of Health, the Department of Transportation, the Department of the Prosecuting Attorney, City and County of Honolulu, the Liquor Commission, City and County of Honolulu, the Hawaii Medical Association, the Hawaii Restaurant Association, the Mothers Against Drunk Driving (MADD), MADD Youth in Action, fifteen members of Students Against Driving Drunk, Waiakea High School Chapter, and over twenty individuals.

In addition, the Police Department of the City and County of Honolulu testified in support of the intent of the bill, but expressed a preference for the original draft, and the Public Defender provided informational testimony. Testimony in opposition to the bill was received from one individual.

Your Committee finds that young drivers have long been recognized as a significant component in the most serious alcohol-related motor vehicle accidents. Accident rates for these drivers are approximately double than would be expected, given their proportion among all licensed drivers.

Your Committee also finds that clinical and anecdotal evidence indicates that young people beginning to experiment with alcohol exhibit signs of obvious impairment at alcohol concentration levels well below those where similar effects can be observed in more "experienced" drinkers. In addition, the younger driver generally is less experienced behind the wheel and is more likely to take risks and to exercise poor judgment. The combining of these shortcomings with alcohol impairment is fatal.

Your Committee finds the statistics alarming. Over the past eight years, teen drivers were involved in 68,206 fatal crashes in the United States. More than one-fourth of the teens in these crashes had been drinking. In Hawaii alone, over the period between 1985 and 1994, one hundred and one drivers under the age of twenty-one were involved in fatal alcohol-related crashes. Even though minors under the age of twenty-one account for only 7.8 per cent of licensed drivers in Hawaii, they constitute over fourteen per cent of the total number of drinking drivers involved in fatal crashes.

The numbers could easily be higher. For example, it is estimated that, in 1994, the Honolulu Police Department made one hundred eighteen DUI arrests and an additional three hundred sixty-four liquor violation arrests involving persons in the fifteen to twenty year old age group.

Your Committee notes that zero tolerance laws have had a twenty percent relative reduction on the proportion of fatal crashes among drivers under age twenty-one, as shown by an analysis of zero tolerance laws in the first twelve states to adopt these laws, compared with nearby states that did not have zero tolerance laws. In view of the foregoing, your Committee strongly believes that a zero tolerance law is necessary to protect the health, safety, and welfare of the people of Hawaii.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting sections 1 and 2 of the bill defining a minor as a person under the age of twenty-one and deleting other references to the term "minor";
- (2) Renumbering and rewriting section 3 of the bill to make it a violation for any person under the age of twenty-one to drive or assume actual physical control of the operation of a motor vehicle with a measurable amount of alcohol concentration;
- (3) Defining the term "measurable amount of alcohol" to mean a test result equal to or greater than .02 but less than .08 alcohol content of breath or blood;
- (4) Modifying the penalty provisions to:
 - (A) Require, for any conviction, attendance at a seven-hour alcohol abuse rehabilitation program by the person and the person's parent or guardian, if the person is under the age of eighteen;
 - (B) Allow, for a first conviction and after an absolute license suspension of thirty days, a restricted driver's license to drive only for work-related purposes and to participate in alcohol abuse education and treatment programs; and
 - (C) Provide discretionary authority to the court to impose community service or fines for any conviction and increase the amount of hours or the dollar amount of the fine which the court may impose;
- (5) Providing for a District Court hearing for those who refuse to be tested pursuant to the State's implied consent law;
- (6) Deleting sections 5, 6, and 7 of the bill relating to the administrative revocation of license process;
- (7) Rewriting section 8 of the bill to reflect the present statutory language contained in section 287-20(a), Hawaii Revised Statutes, and to clarify that the requirement to provide proof of financial responsibility does not apply to a first-time conviction under the new violation created in the bill;
- (8) Defining the terms used in this bill; and
- (9) Renumbering the remaining sections consecutively.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 116, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 116, HD 2.

Signed by all members of the Committee except Representatives Cachola, Menor and Pendleton.

SCRep. 1019 Finance on H.B. No. 1620

The purpose of this bill is to conform state law affecting the Unemployment Insurance (UI) Program, to the amendments made to the federal law by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform Act), by providing for among other things:

- (1) The deduction and withholding of UI benefits for:
 - (a) Repayment of food stamp overissuances; and
 - (b) Federal and state income tax withholding on a voluntary basis;

- (2) The expansion of state and national new hire directories placed in the state Child Support Enforcement Program; and
- (3) The disclosure of certain UI data to enforce child support obligations and to establish paternity.

The Department of Human Services submitted testimony in support of the intent of the measure. The Department of Labor and Industrial Relations submitted comments on the measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1620, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1620, HD 2.

Signed by all members of the Committee.

SCRep. 1020 Finance on H.B. No. 1701

The purpose of this bill is to ensure that the surplus military lands at Barbers Point Naval Air Station (BPNAS) being acquired by State is developed in a timely and efficient manner by:

- (1) Designating the Hawaii Community Development Authority (HCDA) as the local redevelopment agency for the redevelopment of BPNAS; and
- (2) Creating the Kalaeloa Community Development District and development guideline policies to expedite this redevelopment effort.

HCDA, the Department of Business, Economic Development, and Tourism, and the Department of Transportation submitted testimony in support of this measure.

Your Committee has amended this measure by:

- (1) Including neighboring communities in the implementation of the BPNAS Reuse Plan by designating two Kalaeloa Community Development District members to sit on the HCDA; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1701, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1701, HD 2.

Signed by all members of the Committee.
(Representatives Meyer and Ward voted no.)

SCRep. 1021 Finance on H.B. No. 1868

The purpose of this bill is to, among other things:

- (1) Provide the Hawaii Hurricane Relief Fund (Fund) with the discretion to set the special mortgage recording fees by deleting the provision that establishes the manner in which the fees are calculated;
- (2) Authorize the Fund to impose fines, not to exceed twenty-five percent of the amount due, for each instance of nonpayment of amounts due to the Fund;
- (3) Clarify the provisions providing immunity and limitations on liability for insurance agents;
- (4) Authorize coverage for structures in addition to a residence;
- (5) Establish a one year statute of limitations for actions under a hurricane insurance policy; and
- (6) Limit coverage to comparable coverage for fire and windstorm.

Testimony in support of the bill was submitted by Title Guaranty of Hawaii, Inc. Comments on the bill were submitted by the Hawaii Hurricane Relief Fund.

Your Committee has amended this bill by making technical, nonsubstantive revisions for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1868, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1868, HD 2.

Signed by all members of the Committee except Representative Ward.

SCRep. 1022 Finance on H.B. No. 1250

The purpose of this bill is to manage the environmental risks posed by oil and hazardous materials by establishing a Pipeline Safety Committee (Committee) to:

- (1) Maintain a central depository of all pipeline maps;
- (2) Facilitate cooperative cathodic protection testing, interference mitigation, and information and technology testing; and
- (3) Report to the Legislature prior to each legislative session on the Committee's activities.

The Department of Health and Hawaiian Electric Company submitted testimony in support of the intent of this measure. BHP Hawaii, Inc., submitted comments on the measure.

Your Committee has amended this bill by:

- (1) Deleting all references to federal agencies; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1250, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1250, HD 3.

Signed by all members of the Committee.

SCRep. 1023 Finance on H.B. No. 1741

The purpose of this bill is to require the Commission on Water Resource Management (COWRM) to:

- (1) Establish a schedule of fees to provide a consistent source of funding needed to defray costs for programs under the State Water Code; and
- (2) Require COWRM to submit annual reports on the fees generated and expended.

The Department of Land and Natural Resources submitted testimony in strong support of this measure. The Board of Water Supply and the Department of Wastewater Management of the City and County of Honolulu submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring that fee increases be subject to an annual cap;
- (2) Requiring COWRM to conduct a cost of service study; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1741, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1024 Finance on H.B. No. 1866

The purpose of this bill is to:

- (1) Require authorized insurers to file annual and quarterly tax statements of total business transacted and the amount of gross premiums received;
- (2) Tax annuities contracts;
- (3) Establish a 2.75 percent tax for life insurance and a .265 percent tax for accident and sickness insurance;
- (4) Increase the interest due on delinquent taxes from ten percent to twelve percent per year;
- (5) Change the penalty for failure of a surplus lines broker to file a statement or remit taxes due from \$25 per day to the greater of \$500, or ten percent of the tax due, plus interest of twelve percent per year; and
- (6) Established a penalty for unauthorized insurers who fail to pay the premium tax on time the same as that for surplus lines brokers who fail to file.

Testimony in support of this bill was received from the Department of Commerce and Consumer Affairs. Comments were received from the Department of Budget and Finance, the Tax Foundation of Hawaii, State Farm Insurance Companies, the Hawaii State Association of Life Underwriters, the Hawaii Association of Domestic Life Insurers, and the American Council of Life Insurance.

Your Committee has amended this bill by:

- (1) Deleting the tax of one percent on the gross premiums received on annuity contracts;
- (2) Imposing a tax credit to insurance companies for low-income housing; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1866, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1866, HD 2.

Signed by all members of the Committee.
(Representative Ward voted no.)

SCRep. 1025 Finance on H.B. No. 1828

The purpose of this bill is to:

- (1) Ensure that delayed vital records are registered on a timely basis; and
- (2) Prevent the use of vital statistics records to reveal confidential information that may be used for fraudulent purposes by repealing the Director of Health's authority to make index data available to the public.

The Department of Health submitted testimony in support of this measure. The Office of Information Practices submitted comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1828, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1828, HD 2.

Signed by all members of the Committee.

SCRep. 1026 Water and Land Use on H.B. No. 1101

The purpose of this bill, as received by your Committee, is to:

- (1) Authorize the planning commission of any county with a population of 100,000 or less, which has suffered a natural disaster qualifying the county for federal relief, to permit the establishment of bed and breakfast operations on lands designated for agricultural uses; and
- (2) Allow the applicable county planning commission to grant retroactive approvals of all bed and breakfast operations on lands designed for agricultural uses.

Supportive testimony was submitted by the Office of Planning of the Department of Business, Economic Development & Tourism, the Department of Health, the Kauai County Council, Bali Hai Realty, Waonahale at Kuponon Farms, Casa di Amici Ristorante, Sunscapes Travel, Inc., Princeville Ranch Stables, Hawaiian Vacation Retreat, Kayak Kauai Outbound, Na Pali-Kauai Boat Charters, Inc., two private bed and breakfast owners, and a concerned citizen. Comments were submitted by Hawaii's Thousand Friends. Testimony in opposition to the bill was submitted by private individual.

After careful consideration, your Committee has amended this bill to:

- (1) Provide that this bill take effect on July 1, 1997, and be repealed on June 30, 1999;
- (2) Reduce the maximum number of bedrooms allowed for short-term rental from six to five;
- (3) Provide that retroactive approval of bed and breakfast operations be authorized by the planning commission on a case-by-case basis;
- (4) Require that county planning commissions submit a preliminary report to the legislature prior to the 1998 legislature, and a final report prior to the 1999 legislature, that would include listings of all new bed and breakfast operations authorized to conduct business, and all bed and breakfast operations granted retroactive approval; and
- (5) Make technical, nonsubstantive revisions for purposes of clarity, style, and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1101, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1101, HD 1.

Signed by all members of the Committee except Representatives Morihara and Yoshinaga.

SCRep. 1027 Education on H.B. No. 1105

The purpose of this bill is to improve the dental health of the children of Kauai by:

- (1) Establishing a demonstration project to require every child entering school in the County of Kauai to submit certification from a dentist stating that the child has undergone a dental examination and has had all necessary treatment;
- (2) Allowing for the provisional enrollment of a child upon proof that the child is in the process of receiving dental treatment; and
- (3) Requiring the Department of Health and the Department of Education to collaborate to administer this demonstration project and to educate parents and the medical and dental communities about the project.

Testimony in support of the bill was submitted by the Department of Health, the Hawaii Medical Service Association, the State Health Planning and Development Agency, the Kauai County Subarea Health Planning Council, Papa Ola Lokahi, the Kauai County Dental Society, and the Kauai Dental Health Task Force. The Department of Education concurred with the intent of the bill.

During the discussion, a concern was raised that the bill may deny school admission to children who do not have dental insurance. In response, Papa Ola Lokahi testified that sufficient resources exist on Kauai to provide all of Kauai's children with dental care. This bill is intended to coordinate those resources to accomplish that purpose.

Still, your Committee would like to recognize the concern that was raised, while continuing to support the intent of the bill. As such, the bill has been amended, not to require, but to establish a responsibility for submitting dental certification. Your Committee believes that this language is strong enough to encourage the relevant parties to collaborate to make dental care accessible to all of the children of Kauai.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1105, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1105, HD 2.

Signed by all members of the Committee except Representatives Morihara, Santiago, Takamine and Yonamine.

SCRep. 1028 Judiciary on H.B. No. 132

The purpose of this bill is to amend statutory provisions to allow for an appointed Board of Education (BOE), contingent upon ratification of a constitutional amendment allowing for an appointed BOE.

Your Committee received testimony from the Chamber of Commerce of Hawaii, the United Public Workers, AFSCME, Local 646, AFL-CIO, and the Hawaii State Student Council in support of the proposal.

The BOE and the Hawaii State Teachers Association testified in opposition to the measure.

Your Committee finds that an appointed membership will ensure the placement of qualified individuals on the BOE. It will also improve the accountability of the Governor for the quality of public education.

Your Committee has amended the bill by:

- (1) Retaining the status of the student as a nonvoting member of the BOE; and
- (2) Clarifying the vacancy provision with regard to the student member, who is selected by the Hawaii State Student Council.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 132, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 132, HD 2.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.
(Representatives Pendleton and Thielen voted no.)

SCRep. 1029 Consumer Protection and Commerce on H.B. No. 1196

The purpose of this bill, as received by your Committee, is to require the Public Utilities Commission (PUC) to:

- (1) Prescribe the rate or terms, or both, of the sale of electricity between a public utility and a qualifying facility when the parties fail to reach an agreement within one year after the qualifying facility has made an offer to the public utility; and
- (2) Require the PUC to render a decision within one year from the date the public utility or qualifying facility petitions the PUC for a hearing.

Waimana Enterprises, Inc., and Kawaihae Cogeneration Partners testified in support of this bill. The PUC and Department of Budget and Finance testified in support of the bill's intent and proposed amendments to this bill. The Division of Consumer Advocacy, Department of Commerce and Consumer Affairs, testified in support of the bill with an amendment.

The 1994 Legislature passed a concurrent resolution requesting that the PUC initiate rulemaking proceedings to amend section 6-74-15(c), Hawaii Administrative Rules (HAR). A proposed amendment that the PUC is considering would require an electric utility and allow a qualifying facility to petition the PUC for a hearing in the event the parties are unable to reach an agreement on the sale of energy or capacity within seventy-five days of the qualifying facility's first offer to the electric utility. The proposed amended rule would also require the PUC to render a decision on the petition within one hundred and twenty days.

Testimony submitted by the PUC indicated that rulemaking proceedings on section 6-74-15(c), HAR, are still pending and have yet to go to public hearing. In the meantime, negotiations between electric utilities and qualifying facilities continue to proceed at a slow pace. Residents in certain areas of the State, particularly on the Big Island, continue to suffer from the lack of a consistent, adequate energy supply and must help to pay for the millions of dollars in costs incurred by the electric utility for the maintenance and repair of, and the fuel necessary to operate its existing system.

Therefore, upon careful consideration, your Committee has amended the bill by:

- (1) Deleting the definition of "qualifying facilities" and references to "qualifying facility", since section 269-27.2, Hawaii Revised Statutes (HRS) refers to electricity generated from nonfossil fuels and qualifying facilities may include facilities that generate energy from fossil fuels;
- (2) Providing for administrative relief where the parties are unable to reach an agreement for the sale of nonfossil fuel generated electricity within seventy-five days after the supplier has made a complete bona fide offer by:
 - (A) Requiring a public utility to file a petition within fourteen days; and
 - (B) Allowing a supplier to petition the PUC;
- (3) Requiring the PUC to act upon the petition within one hundred and eighty days, but allowing a party to extend this period upon the showing of good cause;
- (4) Amending the findings and purpose section to conform to the above amendments; and
- (5) Making technical, nonsubstantive amendments for purposes of style, clarity, consistency, and accuracy.

With respect to the PUC's authority to extend the one hundred and eighty day period for good cause, your Committee finds that there may be good cause for an extension in cases where the PUC needs additional time to:

- (1) Review complex issues or where the parties are close to reaching a settlement and require an extension of time to conclude settlement negotiations; or
- (2) Evaluate whether certain rates or terms should be adopted to ensure that consumers will receive the benefits of the competitive marketplace.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1196, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1196, HD 2.

Signed by all members of the Committee except Representative Tom.

SCRep. 1030 Consumer Protection and Commerce and Judiciary on H.B. No. 1208

The purpose of the bill is to allow a petroleum manufacturer or jobber to open a company operated retail service station based upon a "market share" formula.

The Hawaii Automotive Repair and Gasoline Dealers Association and K & Y Chevron testified in support of the bill with amendments. Chevron Products Company, Aloha Petroleum, Ltd., and BHP Hawaii testified in opposition to the measure.

Specifically, the bill allows, as of August 1, 1997, a manufacturer or jobber to open a new company operated retail service station or convert an existing dealer operated retail service station to a company operated retail service station each year using the following formula which is based upon a manufacturer's or jobber's percentage of market share as determined by the Department of Business, Economic Development, and Tourism (DBEDT):

- (1) Greater than thirty percent market share: No new company operated retail service stations may be opened and no dealer operated retail service stations may be converted;
- (2) Over fifteen, and up to thirty percent market share: Two new company operated retail service stations may be opened and one dealer operated retail service station converted; and
- (3) Fifteen percent or less market share: No limit on the number of new stations opened or dealer operated stations converted.

Additionally the bill:

- (1) Amends the definition of "company operated retail service station" to include co-branded outlets in which a manufacturer or jobber operates a retail service station in conjunction with the operations of a convenience store or fast-food outlet;

- (2) Defines a retail sale as a sale made to the general public at prices displayed on the dispensing machine;
- (3) Requires that a replacement retail service station acquired or constructed by a manufacturer or jobber be located within a three-mile radius of the station it replaces;
- (4) Requires DBEDT to adopt administrative rules and establishes a formula for determining market share; and
- (5) Authorizes a manufacturer or jobber to operate a dealer operated retail service station for one hundred and eighty days while a replacement dealer is found or during the station's conversion to a company operated retail service station.

Your Committees understand that the issue of whether to extend the moratorium limiting the opening of new company operated retail service stations in Hawaii by petroleum manufacturers or jobbers is an extremely difficult and sensitive one and is supported by arguments on both sides.

Testimony in opposition to this measure indicated that consumer patterns show a continued preference for fast, efficient service and competitive gas prices. In response to consumer demands, the retail gasoline market has become dominated by self-serve and mini-service stations, following the success of retail discount and volume stores in Hawaii such as Costco and K-Mart. Testifiers argue that this measure discriminates against those businesses that have achieved a designated market share. Testimony was also received that the Hawaii consumer can best be served by continuing to allow the competitive forces of the free market to work.

Proponents of this measure claim that since the Legislature enacted the moratorium in 1991, retail margins have decreased, thus providing consumers with a more competitive retail market. Additionally, wholesale prices have increased creating higher prices to the consumers, in spite of retail margins being decreased. Proponents argue that the moratorium has worked, and during its tenure, no irreversible damage has been caused to suppliers, independent dealers, or consumers.

Small business independent gasoline dealers state that customer feedback dictates how they run their businesses. Customers have indicated that they depend on personal service and the ability of independent gasoline dealers to meet their needs.

In deliberating on this bill, your Committees have taken into consideration all of the arguments and believe that this measure provides an alternative to pure divorcement. Your Committees believe that this bill is an innovative proposal that would balance the power between all levels of petroleum marketing.

Upon careful consideration, your Committees have amended the bill by:

- (1) Extending the current moratorium that limits a manufacturer or jobber from opening a company operated retail service station for an additional two years;
- (2) Allowing a manufacturer or jobber to open one company operated retail service station for each dealer operated retail service station opened, up to a maximum of two company operated retail service stations, during the moratorium;
- (3) Amending the definition of "retail" to mean the sale of gasoline made to the general public at prices displayed on the dispensing equipment;
- (4) Retaining the existing one-mile radius restriction on replacement retail service stations acquired or constructed by a manufacturer or jobber;
- (5) Extending the transition period during which a manufacturer or jobber may operate a dealer operated retail service station from one hundred and eighty days to twelve months; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1208, HD 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1208, HD 2.

Signed by all members of the Committees.
(Representative Kawananakoa voted no.)

SCRep. 1031 Consumer Protection and Commerce and Judiciary on H.B. No. 1451

The purpose of this bill is to:

- (1) Consolidate petroleum industry reporting under the Department of Business, Economic Development, and Tourism; and
- (2) Repeal Chapters 486E and 486I, Hawaii Revised Statutes, relating to fuel distribution and petroleum industry information reporting.

The Hawaii Automotive Repair and Gasoline Dealers Association submitted testimony in support of the intent of this measure. The Department of Business, Economic Development, and Tourism, Chevron Companies, BHP Hawaii, Inc., and an individual submitted comments on this measure.

Your Committees believe that the reporting, analysis, and compilation of petroleum prices, supplies, storage, transportation, and consumption may contribute to the State's energy and economic security.

Technical, nonsubstantive amendments have been made for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1451, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 1451, HD 1.

Signed by all members of the Committees.

SCRep. 1032 Finance on H.B. No. 115

The purpose of this bill is to continue to support the pilot Teen Court Program, which diverts first-time offenders from the formal juvenile justice system, by appropriating funds for the continuation of the pilot Teen Court Program.

The Department of Education, the Office of Youth Services, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, the Hawaii State Teachers Association, and the Urban Honolulu Crime Prevention Network testified in support of this measure. Your Committee received testimony in support of the intent of this measure from the Judiciary.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 115, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives White and Ward.

SCRep. 1033 Finance on H.B. No. 119

The purpose of this bill is to provide for a 1998 Constitutional Convention.

Specifically, this bill provides that:

- (1) The Constitutional Convention is responsible for voter education with respect to voter materials;
- (2) The special election of delegates will be held on March 14, 1998;
- (3) A \$25 nomination filing fee is required;
- (4) The Constitutional Convention will convene on June 1, 1998; and
- (5) An unspecified amount of funds will be appropriated for the preparation and convening of the Constitutional Convention.

Let the People Decide and Citizens For A Constitutional Convention submitted testimony in support of this measure. The Office of Hawaiian Affairs, the Legislative Reference Bureau, Common Cause Hawaii, and an individual submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Providing that the chief election officer may make provisions to allow registered voters to cast absentee ballots; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 119, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 119, HD 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1034 Finance on H.B. No. 143

The purpose of this bill is to consolidate state housing functions by:

- (1) Incorporating the functions of the Hawaii Housing Authority (HHA), the Housing Finance and Development Corporation (HFDC), and the Rental Housing Trust Fund into the newly-established Housing and Community Development Corporation of Hawaii (HCDCH);
- (2) Establishing the Rental Housing Fund Advisory Commission to be the liaison between the HCDCH Board and the public;
- (3) Requiring the Governor to select a management team and appoint a representative from the Governor's Office to spearhead the team so HCDCH can be operational by July 1, 1998;

- (4) Requiring a representative from the Governor's Office to report its recommendations to the Legislature prior to the 1998 Regular Session regarding the transfer of housing functions to HCDCH; and
- (5) Administratively attaching HCDCH to the Department of Human Services.

The American Association of Retired Persons submitted testimony in support of this measure. The HFDC, the Rental Housing Trust Fund, the HHA, and the Hawaii Community Development Authority submitted testimony in support of the intent of this measure. The Department of Housing and Community Development of the City and County of Honolulu, and the Governor's Special Assistant for Housing submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Deleting the provision "without condition or other requirement" from the requirement that:
 - (a) Each county garbage or trash collection and disposal service collect and dispose of garbage and trash at, and from, any housing area, free of charge; and
 - (b) Each county allow HCDCH to use, free of charge, all incinerators, garbage dumps, and other facilities under the county's jurisdiction;
- (2) Extending the length of time to sixty days from forty-five days, that:
 - (a) The Legislature has to approve or disapprove by resolution, HCDCH housing development project preliminary plans and specifications; and
 - (b) An HCDCH housing development project is deemed to be approved by the Legislature if the project is not approved by that time;

and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 143, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 143, HD 2.

Signed by all members of the Committee.

SCRep. 1035 Finance on H.B. No. 258

The purpose of this bill is to provide a long-range income stream for the Hawaii Convention Center to meet both its operating and capital requirements by separating the Capital and Operations Special Fund into two funds--one for capital expenses, one for operational costs.

The Convention Center Authority supported the intent of this measure. The Department of Budget and Finance commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 258 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1036 Finance on H.B. No. 665

The purpose of this bill is to support efforts to facilitate the construction and operation of the Convention Center, by:

- (1) Extending the operation of the Convention Center Authority (CCA) by one year, from June 30, 1998, to June 30, 1999; and
- (2) Appropriating funds for the operation of the Convention Center.

The Hawaii Hotel Association submitted testimony in support of this measure. The CCA submitted testimony in support of the intent of this measure. Comments were submitted by the Department of Business, Economic Development, and Tourism.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 665 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1037 Finance on H.B. No. 886

The purpose of this bill is to appropriate funds to expand higher education outreach programs for Maui Community College, Kauai Community College, and West Hawaii University Center.

The Department of Education and the University of Hawaii testified in support of this measure. The Department of Budget and Finance submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Appropriating funds to expand the masters degree programs at the University of Hawaii at Hilo; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 886, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 886, HD 2.

Signed by all members of the Committee except Representatives White and Ward.

SCRep. 1038 Finance on H.B. No. 1210

The purpose of this bill is to require the Department of Health to conduct a study of an Emissions Reduction Credit Banking and Trading Program.

Chevron Products Company testified in support of this measure. The Department of Health testified in support of the intent of this measure. Hawaiian Electric Company and the Sierra Club, Hawai'i Chapter, commented on this measure.

Your Committee has amended this bill by:

- (1) Narrowing the scope of the study to focus on Campbell Industrial Park rather than to include other areas;
- (2) Making the study a feasibility study of credit banking and trading;
- (3) Revising the list of issues to be addressed by the study to include the creation of a plan to deal with air emissions limits and allow for the expansion of the facilities in Campbell Industrial Park;
- (4) Revising the statement of findings and purpose in Section 1 of the bill;
- (5) Deleting the appropriation for the study; and
- (6) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1210, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1210, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1039 Finance on H.B. No. 1218

The purpose of this bill is to establish a permit requirement for the operation and maintenance of underground injection control facilities.

Specifically, this bill:

- (1) Establishes upper limits for the calculation and assessment of annual underground injection control facility permit fees under the safe drinking water and water pollution laws;
- (2) Authorizes the Director of Health to adopt rules to set the fees payable by underground injection control facilities;
- (3) Authorizes the Director of Health to waive the permit fees payable by certain agricultural operations that provide substantial and significant benefits to the community; and
- (4) Directs the fees in excess of the operating needs of the drinking water and water pollution programs to be deposited into the drinking water fund being established under chapter 340E by H.B. No. 1836, HD 1.

The Department of Health, the Sierra Club, Hawaii Chapter, and Hawaiian Electric Company, Inc., testified in support of the intent of this measure. The Department of Public Works of the City and County of Honolulu, the Department Wastewater Management of the City and County of Honolulu, Chevron Products Company, BHP Hawaii, Inc., and the Hawaii Agriculture Research Center commented on this measure.

Your Committee has amended this bill by deleting its substance and inserting provisions to require the Department of Health to make recommendations on fees that should be imposed or revenues that should be collected to help finance water quality programs. The bill requires the Department of Health to submit its findings and recommendations to the Legislature before the 1998 legislative session.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1218, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1218, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1040 Finance on H.B. No. 1463

The purpose of this bill is to assist adult residential care home operators meet their operational costs in providing domiciliary care for recipients eligible for Federal Supplemental Security Income or public assistance by:

- (1) Increasing the reimbursements for these operators; and
- (2) Appropriating the sum of \$1,365,888 for fiscal year 1997-1998, and the sum of \$1,380,888 for fiscal year 1998-1999 for this purpose.

The United Group of Home Operators and a concerned individual submitted testimony in support of this measure. The Department of Human Services submitted comments.

Your Committee has amended this measure by:

- (1) Compressing the level of care payments into a single rate equal to the level of care III rate, plus an increase of \$50 for each month; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1463, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1463, HD 2.

Signed by all members of the Committee.

SCRep. 1041 Finance on H.B. No. 1547

The purpose of this bill is to encourage greater responsibility and accountability in the management of small boat harbors.

This bill establishes a three-year pilot program to convert one or more small boat harbors into an independent marina managed and administered by a community-based Marina Board (Board) in accordance with a lease agreement to be entered into with the Department of Land and Natural Resources (DLNR).

The Ala Wai Marina Committee, the Gentry's Kona Marina at Honokohau Harbor, the Hawaii Conservation Association, and many concerned individuals submitted testimony in support of this measure. The Department of Land and Natural Resources, the Hawaii Government Employees Association, the Westrec Marina Management, Inc., the Maui Commercial Boaters and Ocean Affiliated Transportation, submitted comments on this measure.

After careful consideration your Committee has amended this bill by:

- (1) Specifying that state employees will not lose any salary, tenure, or other bargaining unit provisions if they are reassigned from the harbor and selected for the pilot program;
- (2) Specifying that the Board is a not-for-profit organization formed for the purpose of managing the harbor;
- (3) Clarifying that the immunity against personal liability for the members of the Board only applies when they are acting in the capacity of an officer or member of the board of directors of the Board;
- (4) Clarifying that the revenues generated by fee and permit collections from harbor users under Section 200-10, Hawaii Revised Statutes, will be collected by the Board under provisions of the agreement between the Board and DLNR;
- (5) Specifying that twenty percent of the revenues from operations on ceded lands will be paid to the Office of Hawaiian Affairs;
- (6) Clarifying that the Attorney General is to decide what areas of responsibility that cannot be assumed by the Board will remain under the jurisdiction of DLNR;
- (7) Changing the program to a five-year program, thereby:
 - (A) Requiring that additional reports be submitted to the Legislature, Regular Sessions of 2001 and 2002; and
 - (B) Changing the repeal date from June 30, 2000, to June 30, 2002;

and
- (8) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1547, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1547, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1042 Finance on H.B. No. 1675

The purpose of this bill is to direct the Department of Labor and Industrial Relations (DLIR) to regulate cranes and other hoisting machines and their operators.

Supporting testimony was received from DLIR.

Your Committee has amended this bill by:

- (1) Replacing its contents with the language from H.B. No. 1675 which requires the licensing of hoisting machine operators and establishes a Hoisting Machine Operators' Licensing Board (Board);
- (2) Making the following changes to the new language:
 - (a) Placing the Board within DLIR instead of the Department of Commerce and Consumer Affairs;
 - (b) Creating the Hoisting Machine Operators' Licensing Board Special Fund;
 - (c) Requiring the Board to adopt rules specifying procedures for the suspension of licenses and certificates of registration;
 - (d) Deleting the requirement that the Board adopt rules specifying examination and application fees;
 - (e) Authorizing the Director of Labor and Industrial Relations to establish fees sufficient to meet the cost of administration of the program;
 - (f) Deleting the appropriation; and
 - (g) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1675, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1675, HD 2.

Signed by all members of the Committee.

SCRep. 1043 Finance on H.B. No. 1721

The purpose of this bill is to enable the State to conform to federal law requirements as specified in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Welfare Reform Act) by establishing separate financial assistance programs for families and certain individuals.

The Department of Human Services submitted testimony in support of this measure. An individual submitted comments on the measure.

Your Committee has amended this bill by:

- (1) Specifying that the use and disclosure of information of financial assistance recipients to law enforcement officers who request information needed for an official administrative, civil, or criminal law enforcement purpose will be limited to their residence and business addresses;
- (2) Reinstating a five-year time limit for assistance to families; and
- (3) Making technical, nonsubstantive amendments to correct Ramseyering errors and for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1721, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1721, HD 2.

Signed by all members of the Committee.

SCRep. 1044 Finance on H.B. No. 1753

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to use certain proceeds it collects for historic preservation activities.

Specifically, this bill:

- (1) Requires proceeds derived from historic preserve user fees, historic preserve leases or concession fees, or the sale of goods to be deposited into the Hawaii Historic Preservation Special Fund (Fund); and
- (2) Authorizes moneys from the Fund to be expended to replenish goods and to produce public information materials.

The Department of Land and Natural Resources and the Historic Hawai'i Foundation submitted testimony in support of this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1753, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1753, HD 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1045 Finance on H.B. No. 1806

The purpose of this bill is to:

- (1) Reduce volatility of employer contributions to the Pension Accumulation Fund of the Employees' Retirement System (ERS) through the use of a five-year moving average based on the total earnings of the ERS; and
- (2) Provide a corresponding setoff of ten percent a year, cumulatively up to one hundred percent, for employer contributions to the Pension Accumulation Fund to make up for actual investment earnings shortfalls.

The Department of Budget and Finance, the Employees' Retirement System, the Hawaii Government Employees Association, the Coalition of Hawaii State/Counties Retirees, Inc., and the Hawaii State Teachers Association-Retired submitted comments on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1806, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1806, HD 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1046 Finance on H.B. No. 1829

The purpose of this bill is to strengthen the capabilities of the Department of Health (DOH) to address the community's child and spouse abuse needs and improve DOH's vital statistics automation by:

- (1) Creating the Family Violence Special Fund for DOH staff programs and grants or purchases of service that support or provide family abuse intervention or prevention, and the Vital Statistics Improvement Special Fund to modernize and automate the Vital Statistics System;
- (2) Establishing fees for certified copies of certificates issued by DOH part of which shall go to each of the new funds; and
- (3) Appropriating moneys to carry out the purposes of each special fund.

The DOH submitted testimony in support of the measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments to correct drafting errors.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1829, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1829, HD 3.

Signed by all members of the Committee.

SCRep. 1047 Finance on H.B. No. 1841

The purpose of this bill is to establish key steps that will allow the State Health Planning and Development Agency (SHPDA) to improve the way in which SHPDA carries out the vital government role of assuring access, quality, and equity in health care for residents of the State.

Specifically, this bill:

- (1) Allows SHPDA to evolve from an agency designated for a fee-for-service health care environment to one adaptable to a managed care environment;
- (2) Increases development flexibility by expanding SHPDA's ability to impose monetary fines for noncompliance;
- (3) Increases emphasis on primary care which accompanies the managed care environment;
- (4) Allows for the exemption of certain projects from the "Certificate of Need" process; and

- (5) Retains the important community input in the planning and development of Hawaii's health care system through the "Certificate of Need" planning tool.

Your Committee received testimony in support of this measure from the administrator of SHPDA, the Kauai County, Hawaii County, Tri-Isle County, Waianae Coast, Windward Oahu, and Central Oahu Subarea Health Planning Councils of SHPDA, the Hawaii Statewide Health Coordinating Council, the Hawaii Medical Service Association, the Healthcare Association of Hawaii, Kapiolani Health, Kaiser Permanente, Wahiawa General Hospital, the Hawaii Nurses' Association, Straub Clinic and Hospital, the Queen's Health Systems, the Hawaii Government Employees Association, the Chamber of Commerce of Hawaii, and a concerned individual.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1841, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1841, HD 3.

Signed by all members of the Committee.

SCRep. 1048 Finance on H.B. No. 1860

The purpose of this bill is to require every institution that issues degrees to be accredited by an agency recognized by the United States Department of Education, or be a candidate for accreditation.

The University of Phoenix and the Greenwich University testified in support of this measure. The University of Hawaii testified in support of the intent of this measure. The Department of Commerce and Consumer Affairs, the Hawaii Pacific University, and the Pacific Western University commented on this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1860, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1860, HD 3.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1049 Finance on H.B. No. 2202

The purpose of this bill is to:

- (1) Establish the position of Captive Insurance Administrator (Administrator) and the Captive Insurance Administrative Fund (Fund);
- (2) Authorize the Administrator to appoint staff examiners and administrative support personnel; and
- (3) Require the Insurance Commissioner (Commissioner) to submit an annual report to the Legislature on the use of the Fund.

The Department of Commerce and Consumer Affairs, the Hawaii Captive Insurance Council, Bank of Hawaii, the Vice-President of Hawaii Captive Insurance Management, Inc., the Senior Vice President of Marsh & McLennan, the Managing Director of Alexander Insurance Managers Hawaii, the Vice President and Branch Manager of Johnson & Higgins Services, Inc., and an individual submitted testimony in support of this measure. The Department of Business, Economic Development, and Tourism and an individual submitted comments on this measure.

Your Committee has amended this bill by:

- (1) Requiring the Commissioner, with the approval of the Director of Commerce and Consumer Affairs (Director), to appoint the Administrator, rather than the Director, with the approval of the Governor;
- (2) Authorizing the Commissioner to appoint independent contractor examiners to examine captive insurance companies;
- (3) Requiring payments collected by the Commissioner to be remitted to the Fund if independent contractor examiners or captive staff examiners were employed for a captive insurer's examination; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2202, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2202, HD 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1050 Finance on H.B. No. 2229

The purpose of this bill, as received by your Committee, was to authorize casino gaming in a particular county if the voters of that county voted to permit casino gaming in a referendum held in the next general election or in a special election.

Testimony in support of this measure was received from the mayor of the County of Hawaii, the mayor of the East St. Louis, Illinois, the Kanoelehua Industrial Area Association, Inc., the Hawaii Island Contractors' Association, the Kawaihae Hawaiian Homes Homeowners Community Association, Big Island residents, and private individuals.

Comments were received from the Department of the Attorney General, the Prosecutor for the County of Hawaii, the Department of the Prosecuting Attorney for the City and County of Honolulu, county police departments, Hawaii's Future Today, the American Friends Service Committee, Hawaii Area Program Office, Christian Voice of Hawaii, churches, church groups, ministers, and private individuals.

Arthur Andersen LLP presented testimony providing an economic analysis of the potential positive impact of casino gaming as authorized by the bill on the state's economy.

Your Committee has amended this measure to alleviate concerns that the bill contained a referendum provision, rather than a provision for a local option law.

Initially, your Committee notes that a distinction must be made between:

- (1) Referendums, which permit the electorate to decide whether or not particular bills should become law; and
- (2) Local option laws, which are statutes that have been enacted by the legislature, whose operation or application in a political subdivision of the state are contingent upon a vote by the voters in that political subdivision.

In Attorney General Opinion No. 63-11, the Attorney General was asked whether a pari-mutuel gambling legislative bill could contain a referendum provision when the Constitution of the State of Hawaii does not provide for a referendum. In the opinion, the Attorney General concluded that it could not as any referendum provision would be violative of the Constitution as an unauthorized delegation of the legislative powers of the State legislature.

However, the Attorney General went on to state that:

"[W]e are of the opinion that local option laws do not involve the making of laws by persons other than the legislature and thus would not entail an invalid delegation of legislative authority. Therefore, we are of the opinion that a pari-mutuel bill, complete in itself, with provision for local option to determine whether or not the general law should operate in the locality would not violate the Constitution."

Under this measure, as amended by your Committee to clarify that a referendum is not intended, the voters of the individual counties are merely being granted the option as to whether or not the general casino gaming provisions of this bill should operate in their particular locality.

Accordingly, your Committee finds that this measure, as amended, contains a local option law provision, not a provision for a referendum, and therefore, is not violative of the Constitution of the State of Hawaii.

Technical, nonsubstantive amendments to the measure have also been made.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2229, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2229, HD 2.

Signed by all members of the Committee.

(Representatives Hamakawa, White, Fox, Marumoto, Meyer and Ward voted no.)

SCRep. 1051 Finance on H.B. No. 2239

The purpose of this bill is to require the Public Utilities Commission to consider additional factors in making a determination to allow a public utility to place, construct, erect, or otherwise build a new 138 kilovolt or greater high-voltage electric transmission system.

The Department of Commerce and Consumer Affairs, the Sierra Club, Hawaii Chapter, the Ala Wai Watershed Community Network, Malama O Manoa, SPAN Council, Neighbors of the Ala Wai, the St. Louis Heights Community Association, and several individuals submitted testimony in support of this measure. Na Leo Pohai submitted testimony in support of the intent of this measure. Hawaiian Electric Company, Inc., Life of the Land, Manoa Neighborhood Board No. 7, and several individuals submitted comments on this measure.

Your Committee has amended this measure by:

- (1) Deleting the finding that exposure to electromagnetic fields constitutes a significant, direct, and adverse effect of overhead transmission lines to persons and animals; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2239, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2239, HD 2.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 1052 Finance on H.B. No. 101

The purpose of this bill is to reduce workers' compensation insurance fraud by:

- (1) Providing immunity for persons, in the absence of fraud or bad faith, who provide information relating to suspected fraudulent insurance transactions; and
- (2) Establishing the Workers' Compensation Fraud Special Fund to be administered by the Attorney General for investigating and prosecuting workers' compensation insurance fraud.

The Department of Labor and Industrial Relations, the Department of Commerce and Consumer Affairs, the Hawaii Insurers Council, and the Hawaii Business League supported this bill. The ILWU Local 142 submitted comments.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 101, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 101, HD 2.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 1053 Finance on H.B. No. 177

The purpose of this bill is to resolve critical disputes relating to the Hawaii Hurricane Relief Fund and the Hurricane Reserve Trust Fund by giving the Hawaii Supreme Court jurisdiction over controversies concerning the applicability of Article VII of the State Constitution to the financing of the two funds.

This measure also corrects a typographical error and limits the special mortgage recording fee on refinanced mortgages to any increase in the financed portion over the original mortgage amount.

Testimony in support of the bill was submitted by the Estate of James Campbell. Comments on the bill were submitted by the Hawaii Hurricane Relief Fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 177, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representative Kanohe.

SCRep. 1054 Finance on H.B. No. 264

The purpose of this bill is to authorize the issuance of special purpose revenue bonds to assist Wilcox Health System and its affiliates to finance the acquisition of an existing building and the construction of a new building.

Wilcox Health System submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Changing the lapsing date for the issuance of the bonds to June 30, 2000; and
- (2) Making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 264, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 264, HD 1.

Signed by all members of the Committee.

SCRep. 1055 Finance on H.B. No. 650

The purpose of this bill is to increase access to mental health and substance abuse treatment by including services performed by advance practice registered nurses in health care insurance coverage of mental health and substance abuse treatment.

Testifying in support of the bill were the Mental Health Association in Hawaii, the National Association of Social Workers, the Hawaii State Primary Care Association, the Hawaii Nurses' Association, and a number of individuals. The Department of Health supported passage of the bill in amended form.

Your Committee has amended the bill by making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 650, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 650, HD 3.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1056 Finance on H.B. No. 817

The purpose of this bill, as received by your Committee, is to extend the pensioners' bonus under Act 339, Session Laws of Hawaii 1990, for two more years.

The Hawaii State Teachers Association, the Hawaii State Teachers Association-Retired, the Retirees Unit of the Hawaii Government Employees Association, the Oahu Retired Teachers Association, and several concerned individuals submitted testimony in support of this measure. Your Committee received comments from the Department of Budget and Finance and the Employees' Retirement System.

Your Committee finds that section 88-114, Hawaii Revised Statutes, specifically states that the payment of pensioners' bonuses shall be made from the Pension Accumulation Fund. As a result, general fund appropriations should not be necessary to implement this law.

Your Committee has amended this measure by:

- (1) Making pensioners' bonuses permanent; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 817, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 817, HD 1.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1057 Finance on H.B. No. 1699

The purpose of this bill is to expand the financing capabilities of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Establishing with the Hawaii Capital Loan Program, a loan guarantee that allows DBEDT to guarantee up to ninety percent of the principal balance of a loan made to a qualified small business by a private lender; and
- (2) Allowing the transfer of funds between the Hawaii Capital Loan Revolving Fund and the Hawaii Strategic Development Corporation Fund.

The Department of Business, Economic Development, and Tourism submitted testimony in support of this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1699, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1699, HD 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1058 Finance on H.B. No. 1805

The purpose of this bill is to ensure there is adequate funding for the Convention Center Capital and Operations Special Fund by:

- (1) Freezing the distribution of the transient accommodation tax (TAT) to the counties at the fiscal year 1994-1995 level;
- (2) Authorizing the counties to establish sales and use taxes of one percent or less;
- (3) Authorizing the counties that do not establish sales and use taxes to request a state grant-in-aid for the amount the county would have received in TAT payments under the existing formula;
- (4) Providing that counties adopting sales and use taxes have their TAT reduced by the sales and use tax set by the county; and
- (5) Require all revenues allocated to the Convention Center Capital and Operations Special Fund in excess of the fiscal year 1994-1995 level to be used for debt service payments on the convention center, operating expenses for the convention center, and tourism-related activities from the general fund.

The Department of Budget and Finance, the Mayor of the County of Maui, a Maui County Council member, a Hawaii County Council member, the Department of Finance of the County of Hawaii, the Tax Foundation of Hawaii, the Maui Hotel Association, and the Department of the Budget of the City and County of Honolulu submitted comments on this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the substance of H.B. No. 1805, as originally introduced, with several technical revisions to correct drafting inconsistencies.

As amended, this bill:

- (1) Fixes the amount of the TAT distributed to each county at the amount distributed in fiscal year 1994-1995 after making reductions for revenues generated in each respective county from public service company taxes and fines and forfeitures from uncontested traffic infractions; and
- (2) Distributes public service company taxes and fines and forfeitures from uncontested traffic infractions to the counties in fiscal year 1998 and each fiscal year thereafter.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1805, HD 2.

Signed by all members of the Committee.
(Representatives Kanoho, White, Fox, Meyer and Ward voted no.)

SCRep. 1059 Finance on H.B. No. 2232

The purpose of this bill is to reduce the emissions of air pollution sources throughout the State by:

- (1) Requiring the Director of Health (Director) to review and evaluate the operations and the adequacy of the air pollution control equipment for all major sources in Campbell Industrial Park and Kahe Point by July 1, 2002;
- (2) Requiring the affected sources to reduce the air emissions for those criteria air pollutants emitted in excess of one hundred tons per year; provided that the reduction shall be equivalent to the emission rate allowable under the best available control technology standard as of July 1, 1997;
- (3) Increasing the pollution fees that the Department of Health (DOH) shall assess for each ton emitted by covered sources from \$25 per ton to \$50 per ton;
- (4) Requiring that for each ton of criteria pollutants that is reduced, the State shall grant a credit of \$20 per ton toward the facility's air permit fees for that year; and
- (5) Requiring the Director to adopt rules to establish an emissions reduction credit banking and trading program for owners and operators of covered sources within facilities and between facilities.

The DOH and Sierra Club, Hawaii Chapter supported the intent of the bill. Hawaiian Electric Company and its subsidiary utilities, Hawaii Electric Light Company and Maui Electric Company, Ogden Energy Group, Inc., BHP Hawaii, Inc., and the Hawaii Agriculture Research Center offered comments.

Your Committee has amended this bill by:

- (1) Replacing the substantive contents of this bill with language that appropriates \$56,000 for the Director to:
 - (a) Review and evaluate the operations and the adequacy of the air pollution control equipment for all major sources in Campbell Industrial Park and Kahe Point; and
 - (b) Determine if an air quality problem exists and what action, if any, can best address the problem; and
- (2) Making technical, nonsubstantive amendments for the purpose of consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2232, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2232, HD 2.

Signed by all members of the Committee.

SCRep. 1060 Finance on H.B. No. 1904

The purpose of this bill is to:

- (1) Authorize land-grant college aid moneys to be received, managed, and invested by the University of Hawaii Board of Regents; and
- (2) Provide that all income earned by the funds be deemed trust money.

The University of Hawaii submitted testimony in support of this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1904, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1904, HD 3.

Signed by all members of the Committee.

SCRep. 1061 Finance on H.B. No. 1433

The purpose of this bill is to enable students to have an opportunity to participate in the development and formulation of prevention programs on such issues as drug abuse, gang activity, and teen pregnancy by establishing the Community-based Youth Leadership Demonstration Project for the Hilo-Hamakua-Kohala region of the Big Island.

The Department of Education, North Hilo Community Council, the Hamakua District Development Council, and many concerned individuals submitted testimony in support of this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1433, HD 2, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1062 Finance on H.B. No. 2082

The purpose of this bill is to facilitate the redevelopment of a Honolulu waterfront region by establishing the Keehi Lagoon Community Development District and placing it under the authority of the Hawaii Community Development Authority. The bill also changes the boundaries of the Kakaako Community Development District.

The Department of Transportation submitted testimony supporting the intent of the bill. The Hawaii Community Development Authority and the Chamber of Commerce of Hawaii submitted comments on the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2082, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1063 Finance on H.B. No. 33

The purpose of this bill is to establish a Transportation Improvement Special Fund to assist developers required to implement transportation improvements as a condition of development.

The Department of Transportation, the Planning Department of the County of Kauai, the Department of Public Works of the County of Hawaii, the Leeward Oahu Transportation Management Association, and the Air Transport Association supported this bill. The Department of Transportation Services of the City and County of Honolulu supported the intent of this bill. The Estate of James Campbell commented on this bill.

Your Committee has amended this bill to keep the rental motor vehicle surcharge in the highway fund and provide the general fund with additional revenue. Specifically, your Committee has:

- (1) Deleted the purpose and findings section;
- (2) Reduced the minimum end of the year balance when transferring dollars out of the highway fund from 150 to 135 percent of the requirements for the next fiscal year to accumulate more excess cash in the highway fund; and
- (3) Transferred \$22,000,000 to \$24,000,000 per year for this fiscal year as well as for the next two fiscal years from the highway fund into the general fund.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 33, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 33, HD 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1064 Finance on H.B. No. 102

The purpose of this bill is to improve Hawaii's workers' compensation system by allowing employers to use coordinated care organizations to provide medical care, services, and supplies to injured workers.

The Hawaii Medical Service Association, the Hawaii Restaurant Association, the National Federation of Independent Business, Pacific Resource Partnership, the Haku Alliance, and the Coalition to Reform Obsolete Workers' Comp Design submitted testimony in support of this measure. The Insurers Council submitted testimony in support of the intent of this measure. The Department of Labor and Industrial Relations, the Office of Information Practices, the Hawaii State Teachers Association, the Hawaii Federation of Physicians & Dentists, the Hawaii State Chiropractic Association, the Hawaii State AFL-CIO, ILWU Local 142, and the Hawaii Nurses' Association submitted comments on this measure.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 102, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 102, HD 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1065 Finance on H.B. No. 120

The purpose of this bill is to address the fragmentation of care for the chronically ill and disabled elderly by extending the demonstration Program for All-Inclusive Care for the Elderly (PACE) to June 30, 2002.

The Department of Human Services, Kokua Council, and the Hawaii Health Systems Corporation testified in support of this measure.

Your Committee has amended this measure by:

- (1) Requiring the PACE Program to submit a program description and a financial and management report to the Legislature for each of the fiscal years extending from July 1, 1992, to June 30, 2002; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 120, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 120, HD 1.

Signed by all members of the Committee except Representatives Nakasone and Meyer.

SCRep. 1066 Finance on H.B. No. 137

The purpose of this bill is to appropriate funds for the development of a multi-disciplinary degree, certificate, or special program at the University of Hawaii, in joint partnership with the East-West Center, that focuses on the economic growth and integration of the Asia Pacific region.

The East-West Center submitted testimony in support of the bill. The University of Hawaii submitted testimony in support of the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 137, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1067 Finance on H.B. No. 167

The purpose of this bill is to increase public awareness of the consequences of brain injury by establishing a Traumatic Brain Injury Advisory Board within the Department of Health.

Your Committee has amended the bill by making an appropriation of \$1 for the purpose of further discussion.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 167, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 167, HD 2.

Signed by all members of the Committee.

SCRep. 1068 Finance on H.B. No. 646

The purpose of this bill is to appropriate state funds as matching funds for the Title XIX Medicaid Home and Community-Based Services Waiver Program to serve individuals with developmental disabilities.

The State Planning Council on Developmental Disabilities, the Commission on Persons with Disabilities, the Research Center of Hawaii, the Arc in Hawaii, the Arc of Kauai, the Easter Seal Society of Hawaii, Catholic Charities Family Services, the Special Education Center of Hawaii, and many concerned individuals submitted testimony in support of this measure. The Department of Health and the Department of Human Services submitted testimony in support of the intent of this measure.

Your Committee has amended this measure by:

- (1) Providing that the sums appropriated are on a dollar-for-dollar matching basis from the Title XIX Medicaid Home and Community-Based Services Waiver Program;
- (2) Replacing the sums appropriated with \$1 to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 646, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 646, HD 2.

Signed by all members of the Committee.

SCRep. 1069 Finance on H.B. No. 701

The purpose of this bill is to transfer the responsibility for the training of school security personnel from the Department of Education (DOE) to the Department of Public Safety, while retaining the responsibility for their management and supervision with DOE.

The Hawaii State Teachers Association and four public school students submitted testimony in support of the bill. The Department of Education submitted testimony concurring with the intent of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 701, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1070 Finance on H.B. No. 867

The purpose of this bill is to authorize the University of Hawaii Board of Regents to establish an optional retirement plan for university executives, managers, faculty (bargaining unit 7), and other personnel (bargaining unit 8).

The University of Hawaii testified in support of this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity and to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 867, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 867, HD 1.

Signed by all members of the Committee.

SCRep. 1071 Finance on H.B. No. 1023

The purpose of this bill is to change the structure of the Annual Conference of Secondary School Students by:

- (1) Including students in grades seven and eight as participants;
- (2) Allowing different formats for the Annual Conference; and
- (3) Increasing from two to three students, the representation from each of the seven local school districts and from the Hawaii Association of Independent Schools.

The Department of Education and an individual submitted testimony in support of the bill.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1023 and recommends that it pass Third Reading.

Signed by all members of the Committee.

SCRep. 1072 Finance on H.B. No. 1329

The purpose of this bill is to increase accessibility to and from the islands by appropriating funds to Maui to assist in the subsidizing of a private Molokai to Maui boat service.

Testimony in support of this measure was submitted by two members of the Maui County Council, the athletic director at Molokai High School, Sea Link of Hawaii, Inc., the Travel Shoppe, and numerous individuals. Comments were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee has amended this measure by making technical, nonsubstantive revisions for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1329, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1329, HD 2.

Signed by all members of the Committee.

SCRep. 1073 Finance on H.B. No. 2008

The purpose of this bill is to direct the Hawaii Housing Authority (HHA) to negotiate with the Waimanalo Housing Resident Association (WHRA) for the long-term lease or other available options of the dwelling units and state lands of the Waimanalo Homes project (Project), provided that the WHRA assists all Project residents with either renovation or reconstruction of their homes.

Representatives from WHRA and Project residents supported this measure. HHA commented on this measure.

Your Committee finds that until the Hawaii Supreme Court determines whether the State must pay the Office of Hawaiian Affairs a 20 percent share of the revenues plus interest generated from ceded lands in Office of Hawaiian Affairs v. State of Hawaii (Civil No. 94-0205-01), it is uncertain whether federal funding will be made available for the Project.

Accordingly, your Committee has amended this measure by:

- (1) Stating that if the Hawaii Supreme Court determines that the State owes the Office of Hawaiian Affairs 20 percent of the profits from the sales or rental of the lands owed, it is unlikely that the Project will be eligible for federal funding;
- (2) Expanding its purpose to provide that HHA assist in exploring available options and enter into negotiations with WHRA and any other federal or state government entity for the long-term lease (pursuant to the purchase of the leasehold interest in the lands), or any other legally appropriate option, of the property beneath Waimanalo Homes to WHRA, on the condition that WHRA assist all homes on the property with relocation, renovation, or reconstruction;
- (3) Adding Increment C (Tax Map Key No. 4-1-028:5 through 22) and Increment D (Tax Map Key No. 4-1-028:107 through 122) to the list of properties to be considered; and
- (4) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2008, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2008, HD 2.

Signed by all members of the Committee.

SCRep. 1074 Finance on H.B. No. 30

The purpose of this bill is to establish a procedure to exempt from the assessments of the Hawaii Hurricane Relief Fund (Fund) licensed property insurers who elect to offer hurricane coverage for damages or losses and forego utilizing the Fund.

Testimony in support of the bill was submitted by the Hawaii Hurricane Relief Fund and the Department of Commerce and Consumer Affairs.

Your Committee has amended this bill by:

- (1) Adding definitions for "group", "hurricane coverage", and "licensed property insurer";
- (2) Replacing references to insurer with "licensed property insurer or group" throughout the bill;
- (3) Requiring a licensed property insurer or group to declare its intent to offer hurricane coverage or utilize the Fund one hundred twenty days instead of sixty days before the beginning of the year;
- (4) Deleting the requirement that the Commissioner shall establish the date by which companies and groups are to make the declaration for the first year of operation;
- (5) Authorizing the Commissioner to prescribe a form to be used when applying for an exemption certificate;
- (6) Clarifying that the filed business plan shall be protected from public disclosure to the extent authorized or allowed instead of being considered a trade secret and confidential;
- (7) Deleting a provision that allows a company to be partly in and partly out and excluded from both the annual assessment and the maximum industry loss assessment;
- (8) Requiring property insurers or groups with an exemption to file annual reports on the aggregate residential and commercial hurricane exposure written in that year;
- (9) Specifying that a request for a hearing to review any adverse finding by the Commissioner must be made within fifteen days from the date of the adverse finding;
- (10) Requiring the Commissioner to hold a hearing within thirty days, rather than twenty days, following the receipt of the request;
- (11) Deleting provisions relating to surplus lines brokers; and
- (12) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 30, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 30, HD 2.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1075 Finance on H.B. No. 140

The purpose of this bill is to amend the campaign spending laws to ensure the integrity of the election process by, among other things:

- (1) Requiring that if any loan is not repaid within five years, the candidate or candidate's committee shall be prohibited from accepting any other loans and all subsequent contributions received and any surplus retained shall only be expended toward the repayment of the outstanding loan until the loan is repaid;
- (2) Requiring candidates to submit a termination report to the Campaign Spending Commission (Commission) on the disposition of any funds that have not been previously reported;
- (3) Requiring each noncandidate committee to file preliminary and final reports with the Commission; and
- (4) Allowing a candidate, party, or committee to terminate registration with the Commission if they have no surplus or deficit.

The Campaign Spending Commission, Common Cause Hawaii, the Democratic Party of Hawaii, the Attorney General, and an individual submitted comments on this measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 140, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 140, HD 2.

Signed by all members of the Committee except Representative Chang.
(Representative Ward voted no.)

SCRep. 1076 Finance on H.B. No. 183

The purpose of this bill is to develop a sports complex (complex) to accommodate professional sports teams or leagues to train and practice and to allow Hawaii residents to use the facilities when the complex is not in use by the teams or leagues, by:

- (1) Requiring the Director of Business, Economic Development, and Tourism (Director), in cooperation with state and county agencies, to negotiate with private domestic or international firms that sponsor professional sports teams or leagues, to develop a complex; and
- (2) Authorizing the Governor to set aside or any state department or agency to lease public lands designated by the Director as a site of the complex.

The Department of Business, Economic Development, and Tourism, the Stadium Authority, the Department of Public Works of the County of Kauai, the Athletic Directors of the Oahu Interscholastic Association, Hawaii Winter Baseball, and an individual submitted testimony in support of the measure. The Department of Land Utilization of the City and County of Honolulu submitted comments on the measure.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 183, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 183, HD 2.

Signed by all members of the Committee except Representative Hamakawa.

SCRep. 1077 Finance on H.B. No. 376

The purpose of this bill is to:

- (1) Create a new chapter that allows a governmental entity to seek reimbursement from any person or entity who is responsible for a person's safety if extraordinary methods are needed to search or rescue the person; provided that:
 - (A) The person violated an applicable law of the federal, state, or local government; or
 - (B) The actions or omissions by the person searched for or rescued shows wanton and reckless misconduct in disregard of the person's safety;

and

- (2) Provide that any reimbursement sought by a governmental entity will not exceed the total cost incurred for the rescue operation.

The Adjutant General submitted testimony in support of this measure.

Your Committee has amended this bill by:

- (1) Extending the definition of "official warnings or notices" to include any instructions or orders given by any authorized government official to any person or group of people;
- (2) Clarifying that a rebuttable presumption exists if search and rescue efforts are provided to individuals exhibiting wanton and reckless misconduct in disregard for their safety; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 376, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 376, HD 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1078 Finance on H.B. No. 651

The purpose of this bill is to improve the effectiveness of, access to, and to lower the costs of mental health and substance abuse services by including coverage for mental health and substance abuse treatment by state-licensed social workers, with certification in clinical social work, physicians, and psychologists.

The Mental Health Association in Hawaii, the National Association of Social Workers, Catholic Charities Family Services, Palolo Chinese Home, and many concerned individuals submitted testimony in support of this measure. The Department of Health submitted comments on this measure.

After careful consideration, your Committee has amended this measure by:

- (1) Ensuring qualified treatment professionals by clarifying that a state-licensed social worker, in addition to state-licensed physicians and psychologists, is also qualified to approve individualized treatment plans, provided that the patient is not already under the care or treatment of a state-licensed physician or psychologist for a pre-existing mental or physical illness or drug dependence; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 651, HD 3.

Signed by all members of the Committee.

SCRep. 1079 Finance on H.B. No. 667

The purpose of this bill is to require the Department of Transportation to:

- (1) Review the possibility of developing a people mover system between Waikiki and the Honolulu International Airport using private sector funds or other sources of funding; and
- (2) Develop specifications and criteria for the issuance of a request for proposals.

The Department of Business, Economic Development, and Tourism and the Honolulu Monorail Development testified in support of this measure. The Department of Transportation testified in support of the intent of this measure. The Hawaii Transportation Association and a member of the Honolulu City Council submitted comments.

Your Committee has amended this bill by deleting its substance and inserting provisions that would:

- (1) Establish a People Mover Development Authority (Authority) within the Office of Planning to review the possibility of developing a people mover system between Waikiki and the convention center and other areas of Honolulu;
- (2) Allow the Authority to issue a request for proposals;
- (3) Allow the Authority to enter into a contract with a developer based on the request for proposals;
- (4) Exempt amounts received by the operator of the people mover system, limited to fare box revenues, from the general excise tax; and
- (5) Appropriate an unspecified amount to the Authority.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 667, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 667, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1080 Finance on H.B. No. 979

The purpose of this bill is to increase state revenues by increasing the excise tax on cigarettes and to appropriate funds for tobacco prevention, education, control, and tobacco-related disease prevention.

The Department of Taxation, the Hawaii Medical Services Association, the Hawaii Medical Service Association, and the Hawaii Campaign for Tobacco-Free Kids testified in support of this measure. The Department of Budget and Finance, the Department of Health, and the American Heart Association testified in support of the intent of this measure. The Tax Foundation of Hawaii, the Tobacco Institute, and an individual commented on this measure.

Your Committee has amended this bill by:

- (1) Adding a requirement to identify tax-exempt cigarettes;
- (2) Increasing the cigarette excise tax to 3.50 cents per cigarette and increasing the cigarette excise tax to 4.00 cents per cigarette after the enactment of federal law requiring military installations to purchase cigarettes in Hawaii in a manner similar to that required of alcoholic beverages under federal law;
- (3) Deleting the appropriation and the dedication of a portion of revenues from the cigarette excise tax for tobacco prevention, education, control, and related activities;
- (4) Adding a statement of findings and purpose in a new Section 1 of the bill; and
- (5) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 979, HD 2.

Signed by all members of the Committee except Representative White.

SCRep. 1081 Finance on H.B. No. 1086

The purpose of this bill is to create new work opportunities in agriculture to help individuals make the transition from unemployment and welfare to back to work, by:

- (1) Establishing the Agricultural Back-to-Work Pilot Program (Program) within the Department of Agriculture (DOA); and
- (2) Appropriating funds for the Program.

The Department of Labor and Industrial Relations submitted testimony in support of this measure. The DOA submitted testimony in support of the intent of this measure. Comments were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1086, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1086, HD 2.

Signed by all members of the Committee.

SCRep. 1082 Finance on H.B. No. 1838

The purpose of this bill is to facilitate the cleanup of contaminated property by:

- (1) Establishing a program to facilitate voluntary and timely response to hazardous substance releases and threats of releases; and
- (2) Providing relief from liability for eligible persons who conduct adequate voluntary response actions; and
- (3) Establishing a procedure for conducting a voluntary response action including among other things:
 - (a) The establishment of an application procedure as well as a filing fee;
 - (b) The issuance of a letter of completion;

- (c) The establishment of a voluntary response action account within the Environmental Response Revolving Fund (Fund); and
 - (d) The establishment of procedures for the termination of a voluntary response action; and
- (4) Appropriating moneys from the Fund for start-up funding.

The Department of Water Supply of the City and County of Honolulu, the Chamber of Commerce of Hawaii, the Myers Corporation, and Bank of Hawaii testified in support of this measure. The Sierra Club, Hawai'i Chapter, the Department of Health, and Chevron Products Company commented on this measure.

After careful consideration, your Committee has amended this measure by:

- (1) Adding hazardous "media" and "land area" as items addressed in the response action;
- (2) Exempting prospective purchasers who complete a voluntary response action and receive a letter of completion from future liability only for those specific hazardous substances, pollutants, contaminants, media, and land use areas claimed in the voluntary response action;
- (3) Stating that a party who is exempt from future liability will also be exempt from contribution or indemnity regarding matters addressed in the voluntary response action; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1838, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1838, HD 2.

Signed by all members of the Committee except Representative Chang.

SCRep. 1083 Finance on H.B. No. 1901

The purpose of this bill is to:

- (1) Enable the Insurance Division (Division) to cover costs relating to responding to legal summons by increasing the fee for service on the commissioner from \$7.50 to \$12;
- (2) Delete the requirement that each insurer file annual and quarterly statements with the National Association of Insurance Commissioners (NAIC) and replace it with a requirement to file annual statement convention blanks and any additional filings prescribed by the commissioner with NAIC;
- (3) Encourage timely filing of reports by establishing a penalty for delinquent filings of annual statement convention blanks or additional required filings;
- (4) Implement NAIC accreditation team recommendations by requiring that audits and financial statements required to be filed by domestic insurers be prepared in accordance with NAIC practices and procedures;
- (5) Remove obsolete provisions by deleting the unearned premium reserve table, requiring the use of a pro rata basis instead;
- (6) Ease the Division's review without compromising regulatory oversight by changing the payment of the Drivers Education Fund Underwriters Fee from quarterly to annually;
- (7) Amend the requirements for submission of a statement of financial condition;
- (8) Amend an error in the definition of "liability" in the insurance code chapter on risk retention; and
- (9) Specify that the Insurance Commissioner may require certain types of information of a purchasing group in the insurance code chapter on risk retention.

The Department of Commerce and Consumer Affairs submitted testimony in support of this measure. The Judiciary submitted comments on the measure.

Your Committee has amended this bill by:

- (1) Providing that the filing requirements of the Driver's Education Fund underwriter's fee under this Act, take effect on July 1, 1998; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1901, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1901, HD 2.

Signed by all members of the Committee.

SCRep. 1084 Finance on H.B. No. 2065

The purpose of this bill is to make a matching appropriation for the election and convening of delegates called for by the Native Hawaiian vote, completion of the convention, and preparation of findings and recommendations.

Alu Like, Inc., Lunailo Home, the Association of Hawaiian Civic Clubs, the Hawaii National Communications Corporation, the Spiritual Nation of Ku, and several individuals supported this measure. The Office of Hawaiian Affairs supported the intent of this measure. Kanaka Maoli Tribunal Komike, Ka Pakaukau, Ka Lahui Hawaii, and many individuals submitted comments on this bill.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2065, HD 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2065, HD 3.

Signed by all members of the Committee except Representative Kanoho.

SCRep. 1085 Water and Land Use on H.B. No. 1746

The purpose of this bill to amend section 6K-6, Hawaii Revised Statutes, by:

- (1) Clarifying the responsibilities and duties of the Kaho'olawe Island Reserve Commission (KIRC);
- (2) Granting the KIRC powers and duties consistent with those conferred upon the Island Burial Councils and the Department of Land and Natural Resources regarding burial sites found within the Kaho'olawe Island Reserve; and
- (3) Allowing the KIRC by formal commission action to delegate authority to the executive director or KIRC employees, in order to allow the KIRC to focus on policy issues affecting the Kaho'olawe Island Reserve.

Testimony in support of this bill was received from the Board of Land and Natural Resources and the Office of Hawaiian Affairs. No testimony in opposition to this bill was received.

Your Committee believes that the intent of this bill is to clarify legislative intent that the KIRC be delegated full authority over the Kaho'olawe Island Reserve.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1746 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Morihara and Yoshinaga.

SCRep. 1086 Judiciary on H.B. No. 1747

The purpose of this bill is to clarify the Department of Land and Natural Resources' (DLNR) enforcement authority within the boundaries of the Kaho'olawe Island Reserve.

The Office of Hawaiian Affairs testified in support of this bill.

Your Committee finds that under current law, DLNR is authorized to enforce activities within the Kaho'olawe Island Reserve. However, the law that establishes DLNR's Conservation and Resources Enforcement Program is silent as to DLNR's jurisdiction and enforcement authority. This bill corrects the ambiguity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1747 and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1087 Judiciary on H.B. No. 1748

The purpose of this bill is to:

- (1) Establish administrative penalties for unlawful activities within the Kaho'olawe Island Reserve (Reserve); and
- (2) Change violations of laws and rules applicable to the Reserve from a misdemeanor to a petty misdemeanor.

Your Committee received testimony on this bill from the Department of Natural Resources and the Office of Hawaiian Affairs.

Your Committee finds that this bill will augment the enforcement of the administrative rules relating to the Reserve by adding a civil process and penalties for violations, thereby increasing the protection afforded to the Reserve.

Your Committee has amended this bill to provide that civil legal action does not preclude the State from seeking criminal penalties against persons who violate chapter 6K, Hawaii Revised Statutes, or any rules adopted under the chapter.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1748, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1748, HD 1.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1088 Judiciary on H.B. No. 1713

The purpose of this bill is to make various housekeeping amendments to the Hawaiian Homes Commission Act.

The Department of Hawaiian Home Lands submitted testimony urging passage of the bill.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1713, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Lee, Menor and Whalen.

SCRep. 1089 Finance on H.B. No. 1036

The purpose of this bill is to authorize the issuance of revenue bonds for Hawaiian Home Lands capital improvement projects.

The Department of Hawaiian Home Lands (DHHL) submitted testimony in support of the bill. While testifying in support of the intent of the bill, the Department of Budget and Finance (B&F) recommended deleting the sunset provision that repeals the authorization to issue revenue bonds on June 30, 2000, because DHHL may not be able to develop a sufficient revenue stream to support the revenue bonds within the time frame.

Your Committee has amended the bill by deleting the sunset provision.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1036, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1036, HD 2.

Signed by all members of the Committee except Representatives Goodenow and Kanoho.

SCRep. 1090 Finance on H.B. No. 2207

The purpose of this bill is to address the public land trust issues by:

- (1) Setting forth legislative findings with regard to the public land trust;
- (2) Providing for an inventory of lands in the public land trust and define subject lands as those listed in the inventory;
- (3) Clarifying what constitutes "revenues" from public land trust lands;
- (4) Establishing the amount and timing of revenues allocated to the Office of Hawaiian Affairs (OHA);
- (5) Establishing a committee to address outstanding public land trust issues;
- (6) Establishing a limited moratorium on the conveyance of public land trust lands; and
- (7) Effectuating these provisions retroactively.

Testimony in support of this bill was submitted by the Department of Transportation and an individual. The Department of Land and Natural Resources, the Department of Budget and Finance, the Hawaii Business Roundtable supported the intent of this measure. OHA, the Department of the Attorney General, the Airlines Committee of Hawaii, Kamehameha Schools Bernice Pauahi Bishop Estate, the Native Hawaiian Legal Corporation, and two individuals submitted comments.

Your Committee has amended this measure by:

- (1) Providing that the first \$3,775,000 of revenue deposited with the Director of Finance during each fiscal quarter shall be transferred to OHA;
- (2) Providing that the first \$15,100,000 of moneys constituting "revenue" under section 10-2, Hawaii Revised Statutes, and which are received by the Director of Finance during fiscal year 1998-1998 pursuant to section 10-13.5, Hawaii Revised Statutes, are to be appropriated to the Department of Budget and Finance for transfer to OHA; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

Your Committee agrees with the findings of your Committee on Hawaiian Affairs as articulated in Standing Committee Report No. 602, that this measure fairly addresses the immediate concerns of the parties with regard to the public land trust and provides the best approach to a lasting solution. Further, your Committee hopes that not only will this measure

lead to an equitable resolution of the public land trust issue but it will ensure the self-sufficiency and self-determination of the Hawaiian community.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2207, HD 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2207, HD 2.

Signed by all members of the Committee except Representatives Goodenow and Kanoho.
(Representatives Kahikina and Ward voted no.)

SCRep. 1091 Judiciary and Finance on H.B. No. 1857

The purpose of this bill is to:

- (1) Extend the Hawaiian Home Lands Trust Individual Claims Review Panel to December 31, 1998;
- (2) Exclude claims for losses based solely on waiting due to the lack of available developed homesteads; and
- (3) Standardize the methodology for computing interest on an award to a claimant.

Your Committees received testimony from the Director, Department of Budget and Finance and the Department of Hawaiian Home Lands in support of the bill.

Your Committees received testimony from the Office of Hawaiian Affairs, the Association of Hawaiian Civic Clubs, the State Council of Hawaiian Homestead Associations, the Native Hawaiian Legal Corporation, the Hawaiian Home Lands Trust Individual Claims Review Panel, and numerous individuals in opposition to all or part of the bill.

Your Committees find that in looking at the history of the Legislature's efforts to address the claims of native Hawaiians in connection with the Hawaiian Home Lands Trust, the State adopted legislation intended to create an overall resolution for claims of breach of trust. A large part of that resolution came in the form of a promise to pay \$600 million dollars pursuant to Act 14, Special Session Laws of Hawaii 1995, in order to resolve all claims that arose between August 21, 1959 and July 1, 1988, excepting only those claims permitted under Chapter 674, Hawaii Revised Statutes.

The issue most disputed by the organizations and individuals opposed to the bill concerns whether Chapter 674 includes the "wait list" claims. Such claims basically allege that the waiting list was too long and the process was too slow as a result of the Department of Hawaiian Home Lands being remiss in its general administration of the Hawaiian Home Lands Trust.

Your Committees finds that this matter, *inter alia*, was fully discussed before your Committee on Hawaiian Affairs, which is charged with setting legislative policy on matters involving native Hawaiians. The report issued by your Committee on Hawaiian Affairs (House Standing Committee Report No. 603) fully justified its findings in a carefully reasoned and thorough manner.

As affirmed by the records of votes of the members of your Committees on Judiciary and Finance that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1857, HD 1 and recommend that it pass Third Reading.

Signed by all members of the Committees except Representatives Cachola, Goodenow, Kanoho, Menor and Fox.
(Representatives Meyer, Pendleton, Thielen and Ward voted no.)

SCRep. 1092 Finance on H.B. No. 2060

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of the Office of Hawaiian Affairs (OHA) for the 1997-1999 fiscal biennium.

Your Committee has carefully considered the budget requests submitted by OHA and has sought to ensure that critical programs are maintained. However, due to the State's current fiscal situation, your Committee has adopted a conservative approach and believes that the proposed biennium funding will enable OHA to meet its program objectives.

Your Committee has based this measure on the December 1996 projections of the Council of Revenues. As this measure continues in the legislative process, your Committee hopes to work closely with the Senate in crafting an equitably balanced budget after the Senate has had an opportunity to make its recommendations and the Council of Revenues updates its revenue projections in March.

Your Committee has amended this measure by:

- (1) Keeping the general fund stable by maintaining the same appropriation for the 1997-1999 fiscal biennium as the current fiscal year;
- (2) Authorizing an increase in trust fund appropriations to meet the needs of OHA; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2060, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2060, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1093 Finance on H.B. No. 1390

The purpose of this bill is to provide the necessary appropriations and authorizations for the operation of and capital improvements for the Judiciary branch for the 1997-1999 fiscal biennium.

The Judiciary submitted testimony in support of this bill.

For the most part, this measure reflects the budgetary recommendations offered by the Judiciary. However, in light of the current fiscal situation, your Committee was unable to provide the funding requested by the Judiciary in its entirety.

Your Committee would like to highlight two areas within the scope of funding for the Judiciary:

- (1) The Hawaii Drug Court Program; and
- (2) Repair and maintenance of Judiciary facilities;

HAWAII DRUG COURT PROGRAM

The Hawaii Drug Court Program (Program) was established in 1995 on a temporary basis to address the growing drug offender problem. The Program offers a viable alternative to incarceration and provides enhanced treatment options.

The Program is currently funded with state moneys appropriated under Act 25, Special Session Laws of Hawaii 1995, and federal grants from the Bureau of Justice Assistance of the United States Department of Justice. Act 25 funded and authorized the establishment of the Program and seven temporary positions.

Federal funding was used to establish six additional temporary positions to provide the staffing required to operate the Program at its intended service levels. After the federal grants, which provide about twenty-four percent of the Program's costs, expire in June 1997, additional state funding will be needed to continue operations at present service levels.

Your Committee finds that in the two years of its existence, the Program has proven to be an effective and cost-efficient means of dealing with nonviolent drug offenders. This measure provides the funding necessary to make the Program permanent.

REPAIR AND MAINTENANCE

Although this bill does not appropriate moneys in its operating budget for the repair and maintenance of facilities as originally requested by the Judiciary, moneys have been set aside for repairs to existing Judiciary facilities in H.B. No. 1804, HD 1. As reported from your Committee, H.B. No. 1804, HD 1, uses one-half of the one percent of capital improvement program construction costs currently earmarked for the Works of Art Special Fund to fund the Repair and Maintenance Special Fund.

Your Committee has amended this measure by reducing funding for this measure so that the total funding for fiscal year 1997-1998 will be \$90,818,000 and total funding for fiscal year 1998-1999 will be \$90,687,000.

Your Committee has based this measure on the December 1996, projections of the Council of Revenues. As this measure continues in the legislative process, your Committee hopes to work closely with the Senate in crafting an equitably balanced budget after the Senate has had an opportunity to make its recommendations and the Council of Revenues updates its revenue projections in March.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1390, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1390, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1094 Finance on H.B. No. 350

The purpose of this bill is to appropriate operating and capital funds to the executive branch for the 1997-1999 biennium.

OVERVIEW

Addressing the needs of the people of the State in the face of declining state revenues presented many challenges to your Committee over the 1995-1997 biennium. The insights accumulated by your Committee over the past several years were taken into full consideration in the development of this budget for the next fiscal biennium.

Although expectations for a full economic recovery have been scaled back in recent months, most forecasts predict that the State can expect another year of moderate economic growth in 1997--slower than the growth rate of several decades past--but still on the road to recovery. Reports estimate that the real gross state product may expand by two per cent,

close to the long-run potential currently estimated of the State's economy. By most expert accounts, local inflation will remain benign and the Honolulu consumer price index should rise less than two per cent in 1997.

As the State's leading economic sector, Hawaii's visitor industry will continue to pave the road to economic recovery. The most reliable indicators of the growth in tourism are visitor arrivals and spending per day. Projections for visitor arrivals appear promising for 1997. However, arrivals of east-bound visitors--especially arrivals from Japan--may grow at a slower-than-expected rate in 1997. Targeting key visitor markets for aggressive promotion will ensure steady growth in visitor arrivals to the State.

Lack of job creation has also been a major hurdle for the State's economy in recent years. Hawaii has lost jobs for four consecutive years now. While the level of job losses has not been especially deep, the slump has been longer than any downturn the State has experienced since the 1940's. Although problems relating to job losses and unemployment are attributable to many factors, your Committee believes that expenditures on major construction projects, such as educational facilities and the Hawaii Convention Center, will provide a major boost to the level of employment in the State.

Your Committee supports the intent of the Administration to invigorate the economy through tourism promotion and increased expenditures on capital construction and infrastructure projects. Support for tourism will bolster the economy's rate of recovery and expenditures for construction will result in the creation of new jobs. Targeting these key economic sectors for growth and expansion will ensure that the economy maintains a steady course toward full recovery.

Despite the optimistic outlook for Hawaii's economy, the latest report of the Council on Revenues compels your Committee to sound a note of caution. Contrary to earlier forecasts of a revenue growth rate of 2.1 per cent for the next fiscal year, the Council now predicts a growth rate of 1.2 per cent for the same period. Mindful that the budget developed by the Administration was based on the more-optimistic earlier estimates, your Committee believes that it has developed an operating and capital budget that is prudent and responsible, yet fully responsive to the State's most pressing obligations and needs. The following narrative highlights some of the major initiatives advocated by your Committee for the 1997-1999 biennium.

EMERGENCY APPROPRIATIONS FOR FISCAL YEAR 1996-1997

Your Committee approved several measures making emergency appropriations to address shortfalls in the current fiscal year. H.B. No. 1717 appropriates approximately \$55,400,000 to the Department of Human Services to meet the financial obligations of the Medicaid Fee-For-Service and QUEST programs for the current fiscal year. Approximately \$54,600,000 will be used to address the larger than expected enrollment in these programs. The remaining funds will be used to address the costs of new programs such as the Transitional Health Insurance Program for new immigrants; restore adult dental health benefits for special needs recipients; and assist in the placement of community long-term care clients.

H.B. No. 1840, HD 1, provides an emergency appropriation of \$21,000,000 to the Hawaii Health Systems Corporation to meet revenue shortfalls due to high fixed overhead costs within the hospital system. The emergency allocation will provide the Corporation with additional assistance in making the transition toward self-sufficiency.

Your Committee also approved an emergency appropriation of \$9,200,000 to the Department of Health to ensure full compliance with the court-ordered requirements of the Felix vs. Cayetano Consent Decree. The Felix consent decree requires the Department of Health to provide a comprehensive array of residential and outpatient services to children and adolescents with mental health needs. Problems in forecasting the actual number of children and adolescents requiring services under the consent decree over the previous fiscal year resulted in the shortfall for the current fiscal year. The Department has since improved its ability to forecast the resources needed to ensure compliance with the consent decree.

HIGHLIGHTS OF APPROPRIATIONS FOR THE FISCAL BIENNIUM 1997-1999

The general fund appropriations authorized by your Committee in this bill include \$5,890,392,550 for fiscal year 1997-1998 and \$5,927,866,007 for fiscal year 1998-1999. The general fund appropriation for fiscal year 1997-1998 represents an increase of 2.94 per cent over the previous fiscal year. Capital improvement funds authorized in this bill include \$1,085,678,000 for fiscal year 1997-1998 and \$815,534,000 for fiscal year 1998-1999.

Economic Development

Under the restraints of the State's current economic situation, your Committee exercised the utmost care in developing a responsible--yet resourceful--economic development plan. Invigorating Hawaii's economy and creating new business opportunities are two major themes of your Committee in the area of economic development. The appropriations approved by your Committee in the area of economic development have been strategically designed to stimulate growth and diversify the economy--generating more jobs and new economic opportunities.

As noted earlier, tourism continues to be the State's most important economic sector. Maintaining Hawaii's stature as a world-class visitor destination is one of your Committee's leading priorities. Unfortunately, competition for visitor dollars abroad has had a profound impact on the number of visitor bookings and the rate of growth of the local industry in recent years. Aggressive promotional campaigns are needed in potential visitor markets throughout the world--especially in the Asia region--to ensure the continued expansion of Hawaii's share of visitor dollars. To this end, your Committee approved an emergency appropriation of \$5,000,000 for the current fiscal year for tourism promotion and an additional \$10,000,000 over the next fiscal biennium to enable the State Tourism Office to continue its marketing efforts.

To show your Committee's long term support toward keeping the Pro Bowl in Hawaii, funds for this highly effective marketing tool have been approved until the year 1999. Additionally, to provide the Hawaii Visitors and Convention Bureau with greater fiscal and direct marketing flexibility, your Committee approved an increase in the organization's general fund appropriation.

The opening of the Hawaii Convention Center will have a profound and positive impact on the rates of visitor arrivals and spending in Hawaii as well as the development of new jobs throughout the State. To this end, your Committee has restored \$2,000,000 toward the completion of the Convention Center. Aesthetic and functional improvements to the streets and sidewalks of the surrounding area are also needed to ensure proper vehicular movement as well as an attractive world-class appearance to the district. Additional moneys were allocated to improve signage and sidewalks in the area; repair the Kalakaua bridge; install additional crosswalks; study the feasibility of flushing the Ala Wai Canal; and make improvements to the Ala Wai promenade. Your Committee also increased the special fund ceiling for debt service and operational costs of the Convention Center.

Statewide capital expenditures authorized by your Committee include funds appropriated for amenities and aesthetic improvements to twenty-one state parks, recreation areas, and monuments. On the island of Oahu, your Committee approved approximately \$44,800,000 for infrastructure and improved access to open space in Kakaako. On the island of Hawaii, your Committee approved \$1,382,000 for improvements to the HOST park at the Natural Energy Laboratory of Hawaii and \$3,500,000 for the development of a Hilo business incubator facility. On the island of Maui, \$445,000 was appropriated to support the Hawaii Telecommunications and Information Resource Center.

Your Committee also approved various other bills aimed at stimulating business growth and economic development in other sectors of the State's economy. Measures of special note include: H.B. No. 1694, which exempts from general excise taxes, earnings from certain professional services performed on international projects; H.B. No. 1528, which provides tax credits for hotel renovation costs; and H.B. No. 1640, which makes general excise tax assessments consistent for in-state and out-of-state consignors.

Transportation

The fitness and quality of Hawaii's transportation infrastructure plays a crucial role in sustaining the State's economy. Increases in this budget include funds for the opening of the new H-3 freeway in 1998 and various other departmental needs such as motor vehicle purchases, computer repairs, and various repair and maintenance projects.

In keeping with its commitment to expand tourism, your Committee approved several key expenditures of federal funds, special funds, revenue bond funds, and reimbursable general obligation bond funds for various transportation projects statewide. Your Committee authorized the expenditure of approximately \$11,480,000 for plans and designs to expand the international gates at the Honolulu International Airport. Approximately \$35,650,000 was authorized for improvements to the overseas terminal of the Keahole-Kona Airport on the island of Hawaii. Runway extension improvements were authorized in the amount of \$30,000,000 for the Lihue Airport on Kauai. Additional funds were also appropriated to market the Kauai and Hawaii counties.

Environmental Protection

Hawaii's natural environment is the State's most valuable resource. Funds authorized by your Committee include moneys to enhance the State's ability to monitor imported cargo at various airports to intercept the brown tree snake and other alien species. State funds have also been approved to trigger federal funds to clean out vegetation, remove non-native species, and develop observation trails within the Kawai Nui Marsh. Other projects funded by your Committee include the purchase of day use mooring buoys to protect Hawaii's reefs from damage caused by boat anchors.

Education

Meeting the needs of Hawaii's public school students is a fundamental obligation of the state public school system. Two areas of concern addressed by your Committee in this budget include accommodating projected enrollment increases in the public school system and compliance with the Felix vs. Cayetano Consent Decree. Providing adequate funding to address these obligations was a top priority of the Committee.

According to the Department of Education, increases in student enrollment are expected in the areas of regular instruction as well as special education. An additional \$1,225,811 was approved for the next fiscal year for fifty-two teachers and related supplies to accommodate increases in regular instruction enrollment. Likewise, \$5,682,404 was approved for one hundred eighty-one teachers and ninety educational assistants to accommodate special education enrollment increases.

To address the court-ordered requirements of the Felix vs. Cayetano Consent Decree, your Committee approved \$5,286,150 in general funds for the establishment of two hundred fifty-three positions within the Department of Education. The Department requires the positions for the first phase of a multi-year plan to provide mental health intervention and coordination services at both the elementary and intermediate school levels by the year 2000.

Your Committee has increased the State's education facilities special fund by fifty per cent over the next two years--representing a total of \$ 276,000,000 over the 1997-1999 biennium. To improve and maintain the State's public school system infrastructure, your Committee authorized funding for the top fifty-one priority projects identified by the Department of Education. Projects included in the Department's list of priorities include new schools in Waialeale, Mililani, Kealahou, Keauhou, and Kapaa. Funds to improve the overall condition of various schools have also been approved for noise abatement; air conditioning repair and improvement; and telecommunications and power infrastructure projects.

Other capital projects authorized by your Committee include new public libraries in Kohala, Kapolei, and the north shore of Kauai.

Health

The appropriations authorized by your Committee in the area of health will ensure sufficient funds to meet state as well as federally mandated costs.

The Behavioral Health Division received the largest infusion of general funds due to mandated increases in the Child and Adolescent Mental Health Program, the Adult Mental Health Program, and the Hawaii State Hospital. In compliance with the Felix vs. Cayetano Consent Decree, the Child and Adolescent Mental Health Program received \$22,083,319 for the biennium and \$9,218,665 in emergency funding for the current fiscal year. The Adult Mental Health Program, acting in accordance with a U.S. District Court order to improve outpatient services, received a total of \$10,082,971 for the biennium. The Hawaii State Hospital, also under a court order, received a total of \$559,865 for the biennium.

Additional assistance was also authorized for the Hawaii Health Systems Corporation. Although the program was detached from the Department of Health in 1996, the Corporation reportedly encountered various financial difficulties during its first full year of independent operation. Although the Corporation requested \$15,494,980 and \$10,499,012 in each respective year of the biennium, your Committee authorized \$12,494,980 for fiscal year 1997-1998 and no funds for fiscal year 1998-1999. Your Committee hopes that the Corporation will adopt fiscally responsible operating practices to ensure self-sufficiency in the future. Your Committee will continue to monitor the progress of the Hawaii Health Systems Corporation to verify program expenditures and ensure the use of proper financial practices.

Public Safety

The problem of the "revolving door" in Hawaii's criminal justice system is a concern for every citizen in the State. Despite increases in funds over the past two years, most correctional facilities were forced to operate under overcrowded conditions. Thus, many inmates were either released or transferred to other prisons. To resolve this situation, your Committee approved appropriations to expand correctional facilities and increase the number of correctional positions within the Department of Public Safety.

To address immediate needs, approximately \$5,000,000 for each year of the biennium was appropriated to enable the transfer of three hundred inmates to correctional facilities on the mainland.

Higher Education

One of the most important changes advocated by your Committee for the State's higher education system was the reorganization of the program structure for the Community College system of the University of Hawaii. The program identification areas formerly segregating the Community Colleges and Community College Systemwide Support areas have been combined into one program identification number--(UOH-800)--University of Hawaii Community Colleges. Each program area will retain its own organization code to enable each campus of the community college system to retain its own identity. Your Committee believes that this new organization will simplify the budgetary structure of the community college system--resulting in more accountability and greater fiscal and operating flexibility.

Your Committee also approved several major capital projects to maintain, improve, and expand the State's higher education facilities statewide. Approximately \$36,000,000 was approved to expand the Hamilton Library on the University of Hawaii Manoa Campus. Additional funds were approved for various projects at Windward Community College, Maui Community College, Kauai Community College, and the University of Hawaii Hilo Campus.

Human Services

The federal Welfare Reform Act of 1996 has fundamentally changed the manner in which welfare payments are disbursed by the states. Among the most profound changes brought about by the new law is the new federal block grant system which replaces the old system of entitlements and imposes strict work requirements and time limits on eligibility upon qualified recipients.

The human services budget authorized by your Committee was based on the reorganization plan developed by the Department of Human Services. Appropriations in the amounts of \$1,183,935,236 for fiscal year 1997-1998 and \$1,229,273,817 for fiscal year 1998-1999 were authorized for the operating needs of the Department of Human Services. As part of the reorganization, public assistance programs have been consolidated with employment and child care programs. In addition, social services and community long-term care programs have been combined into a new Social Services Division to provide the focus and attention needed to deliver child welfare and adult services efficiently. Planning functions of the Department will be decentralized to the division level to enhance flexibility and enable programs to better fulfill community needs.

The Aid to Families with Dependent Children (AFDC) program was replaced by the Temporary Assistance to Needy Families (TANF) program. Additionally, a Temporary Assistance to Other Needy Families (TAONF) program will be established to provide assistance to non-citizen families who are no longer eligible for the TANF program and two-adult families who cannot meet the work requirements.

Your Committee authorized \$76,206,000 for fiscal year 1997-1998 and \$90,721,000 for fiscal year 1998-1999 for the implementation of phase II of the QUEST program which will begin in fiscal year 1997-1998. The Department anticipates the placement of approximately 10,500 Medicaid Aged, Blind, and Disabled program participants into managed care. The objectives of enrolling these individuals in managed care include improving overall care and reducing costs for the State. As the costs of these programs are commingled under a single program identification number, your Committee encountered difficulties in identifying QUEST and Medicaid costs. To resolve the confusion over program costs, your Committee created a new program: QUEST Health Care Payments (HMS 245), to clearly identify QUEST costs.

Government-Wide Support

Meeting the operating needs of the State presented many challenges to your Committee over the past several years. The approval of a state payroll lag system during the Regular Session of 1996 was an attempt by the Legislature to make the State's payroll system both less costly and more manageable. By converting the State's employee payroll system from an advanced disbursement to an after-the-fact payment system, the Legislature hoped to realize significant cost savings for the State. However, claims that the proposal requires negotiation under the bargaining process have been set forth by several employee unions and the Hawaii Labor Relations Board. As a follow-up to the earlier law, your Committee approved H.B. No. 1691 to explicitly exempt the implementation process of the after-the-fact payroll system from negotiation.

Another item approved by your Committee that promises to result in significant savings to the State is the Administration's so-called "double-trigger" proposal for the state Employees' Retirement System. In brief, the proposal will reduce volatility of employer contributions to the pension accumulation fund of the system through the use of a five-year moving average based on the total earnings of the fund's investment portfolio. The proposal will also provide a corresponding set off of ten percent a year, cumulatively up to one hundred percent, for shortfalls below the eight percent threshold which determines excess earnings and earnings shortfalls.

Under the current law, excess earnings or earnings shortfalls are computed by determining whether "realized" earnings fall above or below the eight per cent investment yield rate applied in actuarial valuations. Employer contributions are reduced by any excess earnings and increased to make up for any shortfalls. However, the ability of the retirement system to satisfy its pension obligations is more accurately reflected by its "total" earnings, both realized and unrealized gains, rather than just its realized earnings. Your Committee finds that the double trigger proposal will make employer contributions to the retirement system less subject to year-to-year fluctuations and provide a sounder base upon which to determine whether employer contributions are actually required.

One particularly urgent expenditure item approved by your Committee in the area of government-wide support is the funding to prepare the State's computer systems for the year 2000. Computer information systems throughout the world rely on date calculations, chronological listings, and future milestone dates. Unfortunately, many computer systems of the State were not designed to carry date fields that adjust to the year 2000. For example, computer files typically store the year 1997 as "97". Under such a system, the year 2000 will be stored as "00" or misinterpreted as "1900". If adjustments are not instituted by the year 2000, screens, lists, reports, files, records, and other data that rely on dates will be out of order resulting in erroneous calculations. Your Committee has approved funds to address this problem in a timely manner.

Prior to concluding this report, your Committee wishes to voice a note of dissatisfaction over the manner in which fiscal information is submitted to the Committee by various agencies of the executive branch. Evaluating the executive biennium budget is a difficult and complex task. Problems encountered by your Committee's staff over the course of developing this budget include inconsistent agency information due to the lack of standard budgetary documents and the late submittal of critical material such as budget journal tables.

CONCLUSION

While most indicators point to a steady recovery for Hawaii's economy, projections about the State's economic future are never certain. Earlier revenue forecasts issued by the Council on Revenues for the 1997-1998 fiscal year proved to be far too optimistic. The next forecast of the Council on Revenues is scheduled for release on March 11. The report of the Council promises to provide a clearer and more accurate picture of the budget decisions that must be made by the end of the session. The course of action finally recommended by your Committee for this budget will be contingent on the information released at that time. Your Committee looks forward to discussing the matter of the 1997-1999 biennium budget with the Committee on Ways and Means.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 350, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 350, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1095 Human Services and Housing on H.R. No. 33

The purpose of this resolution is to urge the State to put forth a concerted effort to encourage state agencies and private providers to provide more services for youth on the North Shore of Oahu, those areas encompassing Waialua and Laie.

Testimony, both written and oral, offered by the Office of Youth Services (OYS), the Office of the Governor, and a Kahuku High School student, revealed resounding support for this measure. There was unanimous agreement that youth services on the North Shore of Oahu are needed to help stem delinquency and idleness.

The Committee, recognizing the need for increased involvement by the State in the prevention and intervention of delinquent behaviors among the State's youth, agrees with the intent and substance of this measure. However, because the Committee is desirous of assuring that this measure receives the State's full attention, amends the resolution to provide for a leadership role on the part of the Office of Youth Services. Further, the OYS will be responsible for preparing and submitting a report to the legislature before the next legislative session.

Therefore, after careful consideration, your Committee amends this measure by:

- 1) Including the Department of Parks and Recreation in the group of entities being urged to join in the concerted state effort.

- 2) Calling for the Office of Youth Services to take the primary lead in convening and reporting on the progress of the group of entities included in the resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 33, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 33, HD 1.

Signed by all members of the Committee except Representatives Kawakami, Lee, Stegmaier and Whalen.

SCRep. 1096 Human Services and Housing on H.C.R. No. 34

The purpose of this concurrent resolution is to urge the state to put forth a concerted effort to encourage state agencies and private providers to provide more services for youth on the North Shore of Oahu, those areas encompassing Waialua and Laie.

Testimony, both written and oral, offered by the Office of Youth Services (OYS), the Office of the Governor, and a Kahuku High School student, revealed resounding support for this measure. There was unanimous agreement that youth services on the North Shore of Oahu are needed to help stem delinquency and idleness.

The Committee, recognizing the need for increased involvement by the State in the prevention and intervention of delinquent behaviors among the State's youth, agrees with the intent and substance of this measure. However, because the Committee is desirous of assuring that this measure receives the State's full attention, amends the concurrent resolution to provide for a leadership role on the part of the Office of Youth Services. Further, the OYS will be responsible for preparing and submitting a report to the legislature before the next legislative session.

Therefore, after careful consideration, your Committee amends this measure by:

- 1) Including the Department of Parks and Recreation in the group of entities being urged to join in the concerted state effort.
- 2) Calling for the Office of Youth Services to take the primary lead in convening and reporting on the progress of the group of entities included in the concurrent resolution.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 34, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 34, HD 1..

Signed by all members of the Committee except Representatives Kawakami, Lee, Stegmaier and Whalen.

SCRep. 1097 Human Services and Housing on H.C.R. No. 27

The purpose of this concurrent resolution is to request that the Office of Youth Services take a lead role in establishing a program whereby at-risk youth are paired with college students to help dissuade these targeted youth from delinquency.

Testimony, both written and oral, was received from the Director of the Office of Youth Services (OYS), and the Dean of the School of Social Work at the University of Hawaii, indicating strong support for this measure. The OYS stated that it would be more than happy to take the lead role in organizing a collaborative effort to develop an intensive case monitoring program similar to that successfully implemented in the State of Missouri.

The Committee, recognizing the need for increased involvement in the prevention and intervention of delinquency among the State's youth, agrees with the intent of this measure and the vehicle that it calls for, but incorporates several amendments.

Therefore, after careful consideration, your Committee amends this measure by:

- 1) Including additional institutions of higher learning such as community colleges, along with the University of Hawaii's School of Social Work and DHS, in order to expand the pool of prospective students with which to pair at-risk youth; and
- 2) Calling for inquiry into whether the program's college student participants may be eligible to receive credit through practicum course status.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 27, HD 1.

Signed by all members of the Committee except Representatives Kawakami, Lee, Stegmaier and Whalen.

SCRep. 1098 Human Services and Housing on H.R. No. 7

The purpose of this resolution is to provide a tax credit for condominiums and cooperatives which creates an incentive that encourages the rehabilitation of historic housing.

Written and oral testimony was offered by the Historic Hawai'i Foundation and Preservation Action, strongly supporting that this measure, calling for a historic homeownership tax credit, is necessary for historic preservation throughout

Hawaii. In turn, there is a potential for homeownership expansion, an increase in the local tax base, and the creation of jobs due to construction generated. Therefore, your Committee decided that the measure should pass unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 7, and recommends that it be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Kawakami, Lee, Stegmaier and Whalen.

SCRep. 1099 Human Services and Housing on H.C.R. No. 5

The purpose of this concurrent resolution is to request that the Department of Human Services (DHS) submit a draft of the State Welfare Plan, which it intends to submit to the U.S. Department of Health and Human Services, pursuant to the Personal Responsibility And Work Opportunity Reconciliation Act Of 1996 before March 31, 1997.

Both written and oral testimony received from the Department of Human Services (DHS), and a concerned citizen, indicated clear support for this measure. The director of DHS declared that the Department would be more than glad to submit its welfare plan to the Legislature for review. In addition, the director stated that the Department would make itself available, upon request, for a briefing on its welfare plan.

The Committee recognizes the need for the Legislature to be informed of the specifics of the plan prior to submittal to the U.S. Department of Health and Human Services.

After careful consideration of the concurrent resolution, the testimony submitted thereon, and desiring to keep the plan a priority concern of the Legislature, your Committee has amended this measure by changing the date for submittal of the State's welfare plan from June 30, 1997, to April 1, 1997, and as agreed to by the director of DHS.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 5, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 5, HD 1.

Signed by all members of the Committee except Representatives Kawakami, Lee, Stegmaier and Whalen.

SCRep. 1100 Transportation on S.B. No. 1304

The purpose of this bill, as referred to your Committee on Transportation, is to exempt State and county firefighters from being required to have category (4) driver's licenses, if they have been trained and certified under the auspices of the Department of Transportation.

Your Committee finds that firefighters are exempt from the requirement of obtaining commercial driver's licenses, but are required to have category (4) driver's licenses if they drive fire equipment which weighs more than 26,000 pounds gross vehicle weight. Your Committee further finds that firefighters driving the larger fire equipment require licensing under the category (4) classification, even though they have been trained and certified in county programs to drive vehicles for which category (4) licenses are presently required.

This bill proposes to exempt firefighters, who are trained and certified, from having category (4) licenses.

Testimonies in favor of this bill were heard from the Department of Transportation, the Department of Labor and Industrial Relations, the Honolulu Fire Department, and the Hawaii Fire Chiefs Association.

Your Committee recognizes Senate Bill 1304 as a companion bill to House Bill 1627 which was passed without amendment.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1304 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Case, Nakasone, Yamane and Yonamine.

SCRep. 1101 Energy and Environmental Protection on S.B. No. 1578

The purpose of this bill is to:

- (1) Amend section 103D-407(b), Hawaii Revised Statutes, governing the use of recycled glass in highway and road construction projects, by deleting the one-fourth inch sieve requirement; and
- (2) Allow the Department of Transportation (DOT) to determine the specifications for the size of crushed glass to be used in State and county highway and roadway construction projects.

Testimony in support of this bill was received from the Department of Health, the DOT, and the Hawaii Food Industry Association.

No testimony in opposition to this bill was received.

Your Committee finds that the existing statutory specification for the size of crushed glass aggregate was developed as an interim solution and set conservatively until the DOT could develop performance-based standards. Your Committee

also finds that contractors are having a difficult time meeting the existing requirement of one hundred per cent passing the one-fourth inch sieve.

Your Committee further finds that the DOT has reviewed engineering analyses from other jurisdictions and developed a less conservative aggregate size within its standard specifications, which is consistent with the standards set in other states.

Your Committee has amended this bill to correct a technical, nonsubstantive drafting error.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1578, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 1102 Energy and Environmental Protection on S.B. No. 175

The purpose of this bill, as received by your Committee, is to amend section 195D-4, Hawaii Revised Statutes (HRS), by requiring the Department of Land and Natural Resources (DLNR) to adopt rules authorizing limited possession, cultivation, and sale of selected endangered and threatened land plants.

Testimony in support of this bill was received from DLNR, the Hawaii Farm Bureau, the Audubon Society, and the Lyon Arboretum Association. The Audubon Society recommended amending the bill to provide flexibility to DLNR in adopting the rules. No testimony in opposition to this bill was received.

Your Committee finds that present administrative rules forbid the taking and selling of endangered plant species unless specifically to be used for scientific purposes. However, your Committee also finds that responsible propagation and ownership of threatened and endangered plants is an excellent tool for public participation in conservation.

Your Committee further finds that DLNR has previously drafted proposed rules on this subject, has held public hearings on the proposed rules, and is currently in the process of re-drafting the proposed rules that would allow the responsible possession and commercial selling of selected endangered plants.

After considering the recommendations, your Committee has amended the bill by changing the word "shall" to "may" in section 195D-4(g), HRS, in order to give DLNR flexibility in the adoption of rules regarding the propagation, possession, ownership, and sale of cultivated endangered plant species.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 175, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 175, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Garcia and Kanoho.

SCRep. 1103 Health on H.R. No. 31

The purpose of this resolution is to increase:

- (1) The survival rate for victims of cardiac arrest or a variety of injuries such as drowning, suffocation, and electrocution; and
- (2) The awareness of life-saving techniques to high school students

by requesting that cardiopulmonary resuscitation (CPR) and first aid be:

- (1) A prerequisite to high school students obtaining a driver's license; and
- (2) A part of the high school curriculum in health classes.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, the Hawaii County Fire Department, the Hawaii Fire Chiefs Association, the Department of Fire Control of the County of Maui, the Hawaii Medical Service Association, and two concerned individuals. The Department of Health and the Department of Education submitted testimony in support of the intent of this measure, but deferred to the county Directors of Finance to the proposed changes to the driver's license requirements.

It has been shown that early CPR is an essential component in successfully treating sudden cardiac arrests and a variety of other injuries. Your Committee feels that requiring CPR and first aid in health courses for high school students is a practical way of increasing the rate of survival, building confidence and self-esteem in the student's ability to be able to assist in an emergency situation, and increasing the likelihood of successful resuscitation with the presence of trained first responders.

Upon careful consideration, your Committee has amended this measure by:

- (1) Offering training in CPR and first aid rather than offering certification;

- (2) Deleting references to healthcare costs and hospital emergency room services;
- (3) Noting that statistics show that the presence of trained first responders increases the likelihood of successful resuscitation;
- (4) Requiring that CPR and first aid training be a prerequisite for graduation rather than a requirement for a driver's license;
- (5) Deleting all references to the county Directors of Finance; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.R. No. 31, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1104 Health on H.C.R. No. 32

The purpose of this concurrent resolution is to increase:

- (1) The survival rate for victims of cardiac arrest or a variety of injuries such as drowning, suffocation, and electrocution; and
- (2) The awareness of life-saving techniques to high school students

by requesting that cardiopulmonary resuscitation (CPR) and first aid be:

- (1) A prerequisite to high school students obtaining a driver's license; and
- (2) A part of the high school curriculum in health classes.

Your Committee received testimony in support of this measure from the State Fire Council, the Honolulu Fire Department, the Hawaii County Fire Department, the Hawaii Fire Chiefs Association, the Department of Fire Control of the County of Maui, the Hawaii Medical Service Association, and two concerned individuals. The Department of Health and the Department of Education submitted testimony in support of the intent of this measure, but deferred to the county Directors of Finance to the proposed changes to the driver's license requirements.

It has been shown that early CPR is an essential component in successfully treating sudden cardiac arrests and a variety of other injuries. Your Committee feels that requiring CPR and first aid in health courses for high school students is a practical way of increasing the rate of survival, building confidence and self-esteem in the student's ability to be able to assist in an emergency situation, and increasing the likelihood of successful resuscitation with the presence of trained first responders.

Upon careful consideration, your Committee has amended this measure by:

- (1) Offering training in CPR and first aid rather than offering certification;
- (2) Deleting references to healthcare costs and hospital emergency room services;
- (3) Noting that statistics show that the presence of trained first responders increases the likelihood of successful resuscitation;
- (4) Requiring that CPR and first aid training be a prerequisite for graduation rather than a requirement for a driver's license;
- (5) Deleting all references to the county Directors of Finance; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 32, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 32, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1105 Health on H.R. No. 32

The purpose of this resolution is to provide adolescents with basic personal and life skills to help them become prepared for the 21st century by urging the Department of Education (DOE) to discuss with the American Medical Association, the American Pediatric Association, and the Department of Health the feasibility of requiring that all health teachers:

- (1) Be certified in health;
- (2) Take continuing education classes; and

- (3) Be evaluated by random surveys by students enrolled in health classes.

Your Committee received testimony in support of this measure from two concerned individuals. The DOE submitted testimony in opposition of this measure.

Health classes currently focus on physiological or medical indicators that define health. Your Committee believes that health classes should begin to focus on life skills and encompass discussions around consequences of actions and holistic health, which include emotional, social, mental, as well as physiological aspects of a healthy individual.

Your Committee has amended this measure by:

- (1) Allowing individual schools to determine their priority health issues;
- (2) Emphasizing the importance of being culturally sensitive to the curriculum, the consequences of actions, and the holistic health needs of the students; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 32, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.R. No. 32, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1106 Health on H.C.R. No. 33

The purpose of this concurrent resolution is to provide adolescents with basic personal and life skills to help them become prepared for the 21st century by urging the Department of Education (DOE) to discuss with the American Medical Association, the American Pediatric Association, and the Department of Health the feasibility of requiring that all health teachers:

- (1) Be certified in health;
- (2) Take continuing education classes; and
- (3) Be evaluated by random surveys by students enrolled in health classes.

Your Committee received testimony in support of this measure from two concerned individuals. The DOE submitted testimony in opposition of this measure.

Health classes currently focus on physiological or medical indicators that define health. Your Committee believes that health classes should begin to focus on life skills and encompass discussions around consequences of actions and holistic health, which include emotional, social, mental, as well as physiological aspects of a healthy individual.

Your Committee has amended this measure by:

- (1) Allowing individual schools to determine their priority health issues;
- (2) Emphasizing the importance of being culturally sensitive to the curriculum, the consequences of actions, and the holistic health needs of the students; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 33, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.C.R. No. 33, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1107 Health on H.R. No. 16

The purpose of this resolution is to offer the people of the Hana District of the island of Maui equal medical services with the rest of the county by urging the Department of Health (DOH) to contract for the provision of Acute Care Life Support ambulance services to the Hana District.

The Maui County Council, the Office of Hawaiian Affairs, and a concerned individual submitted testimony in support of this measure. The DOH submitted comments regarding this measure.

Your Committee is aware that medical emergency care within the Hana community has always been an issue due to their unique situation of geographical isolation. After an ambulance is summoned, the response time from Central Maui can take up to two hours, making it all the more important that Acute Care Life Support ambulance service be available to residents and visitors.

Your Committee has amended this measure by:

- (1) Amending the title of the resolution to read: "URGING THE DEPARTMENT OF HEALTH TO PROVIDE FOR ADVANCED CARE LIFE SUPPORT AMBULANCE SERVICE TO THE HANA DISTRICT IN THE UPCOMING MAUI COUNTY AMBULANCE CONTRACT";
- (2) Replacing all references of Acute Care Life Support with Advanced Care Life Support to upgrade these services; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 16 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 16, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1108 Health on H.C.R. No. 16

The purpose of this concurrent resolution is to offer the people of the Hana District of the island of Maui equal medical services with the rest of the county by urging the Department of Health (DOH) to contract for the provision of Acute Care Life Support ambulance services to the Hana District.

The Maui County Council, the Office of Hawaiian Affairs, and a concerned individual submitted testimony in support of this measure. The DOH submitted comments regarding this measure.

Your Committee is aware that medical emergency care within the Hana community has always been an issue due to their unique situation of geographical isolation. After an ambulance is summoned, the response time from Central Maui can take up to two hours, making it all the more important that Acute Care Life Support ambulance service be available to residents and visitors.

Your Committee has amended this measure by:

- (1) Amending the title of the concurrent resolution to read: "URGING THE DEPARTMENT OF HEALTH TO PROVIDE FOR ADVANCED CARE LIFE SUPPORT AMBULANCE SERVICE TO THE HANA DISTRICT IN THE UPCOMING MAUI COUNTY AMBULANCE CONTRACT";
- (2) Replacing all references of Acute Care Life Support with Advanced Care Life Support to upgrade these services; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 16 as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 16, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1109 Health on H.C.R. No. 19

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial affects of requiring health insurers to offer coverage for post-mastectomy breast reconstruction surgery.

HMSA, the American Cancer Society, and a concerned individual testified in support of this measure.

Your Committee agrees that the availability of post-mastectomy breast reconstructive surgery will help to restore a significant degree of emotional and psychological wellness to women suffering from breast cancer as well as to encourage more women to participate in early detection of breast cancer by giving them a viable post-mastectomy option.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 19 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1110 Health on H.C.R. No. 20

The purpose of this concurrent resolution is to urge the President of the United States to establish a blue ribbon commission to reexamine the drug problem in the United States and submit its recommendations to the President, the Congress, and the people of the United States.

The American Civil Liberties Union of Hawaii and a concerned individual submitted testimony in support of this measure.

Your Committee acknowledges that the current drug problem in the United States has reached epidemic proportions resulting in widespread violence, rising costs, overcrowded prisons, falling prices for increasingly available street drugs, and increased adolescent use.

Your Committee finds that the last federal drug policy review was submitted to the President in 1973; however, it was not acted upon. Your Committee further finds that twenty-four years later it is time to establish a national blue ribbon commission to reexamine the current drug problem and policies and make recommendations for the future.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 20 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.
(Representative Stegmaier voted no.)

SCRep. 1111 Health on H.C.R. No. 25

The purpose of this concurrent resolution is to request the Auditor to assess the social and financial effects of requiring health insurers to offer coverage for medically necessary early intervention of children up to three years of age.

HMSA, Hawaii Early Intervention Coordinating Council, Healthy Mothers Healthy Babies Coalition of Hawaii, American Academy of Pediatrics, and a concerned individual submitted testimony in support of this measure.

Due to difficult fiscal times, your Committee recognizes the importance of a collaborative systems approach to early intervention services and, therefore, deems it necessary to examine the role of private health insurance in providing services to infants and toddlers with special needs.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 25 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1112 Health on H.R. No. 23

The purpose of this resolution is to establish a seamless system of care that provides access to a continuum of programs, placements, and services to Felix class members by evaluating and assessing whether the Big Island Demonstration Project is meeting the demands of the Felix v. Waihee consent decree.

The Mental Health Association in Hawaii and the Child and Adolescent Mental Health Task Force submitted testimony in support of this measure. Your Committee received comments from the Department of Health.

Because this pilot project is innovative and has the possibility of being duplicated throughout the state in the near future, the community is waiting to see the outcome of how the needs of children that fall under the Felix class on the Big Island are being met. Currently, Kapiolani HealthHawaii is required by contract to conduct a financial audit of the Big Island Demonstration Project, although at this time there is no performance audit to evaluate the effectiveness of the programs in place.

Your Committee has amended this measure by:

- (1) Requiring that a second report be submitted to the Legislature no later than twenty days prior to the convening of the Regular Session of 1998 to assess progress from the initial review;
- (2) Incorporating into the report a management component that identifies management issues that would either hinder or facilitate movement toward a seamless system of care; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 23, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.R. No. 23, HD 1.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1113 Education on H.R. No. 30

The purpose of this resolution is to improve school security by requesting the Department of Education and the Department of Public Safety to conduct a study to change the job descriptions of school security personnel.

The Department of Education (DOE) testified in agreement that school security attendants need more training. However, DOE noted that school security personnel are not authorized, as the resolution suggests, to issue detention or to suspend students.

The Hawaii State Teachers Association (HSTA) testified in support of the intent of the resolution. While in support, HSTA suggested an amendment to include the Hawaii Government Employees Association (HGEA), the exclusive bargaining agent of school security personnel, as a participant in the study.

Testifying in support of the resolution, a student emphasized the importance of security in the schools. According to this student, better trained school security personnel would have conflict resolution skills and would be able to perform professionally in dangerous situations.

In consideration of the testimony presented, your Committee has amended the resolution by:

- (1) Adding a WHEREAS clause explaining that school security received the highest priority at the Ke Ala Hoku student conference;
- (2) Deleting the WHEREAS clause stating that security personnel should demand detention for students who damage school property;
- (3) Revising the WHEREAS clause stating that female security personnel are important, and instead stating that security personnel of each gender are needed;
- (4) Deleting the WHEREAS clause having to do with suspension for breaking school rules;
- (5) Adding a BE IT FURTHER RESOLVED clause to exempt existing security personnel from any new requirements.
- (6) Revising the BE IT RESOLVED clause to make the Department of Human Resources Development the lead agency to perform the study, and including HGEA as a participant; and
- (7) Revising the BE IT FURTHER RESOLVED clause to request an action plan by November 1, 1997.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 30, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 30, HD 1.

Signed by all members of the Committee except Representatives Takamine and Tarnas.

SCRep. 1114 Education on H.C.R. No. 31

The purpose of this concurrent resolution is to improve school security by requesting the Department of Education and the Department of Public Safety to conduct a study to change the job descriptions of school security personnel.

The Department of Education (DOE) testified in agreement that school security attendants need more training. However, DOE noted that school security personnel are not authorized, as the concurrent resolution suggests, to issue detention or to suspend students.

The Hawaii State Teachers Association (HSTA) testified in support of the intent of the concurrent resolution. While in support, HSTA suggested an amendment to include the Hawaii Government Employees Association (HGEA), the exclusive bargaining agent of school security personnel, as a participant in the study.

Testifying in support of the concurrent resolution, a student emphasized the importance of security in the schools. According to this student, better trained school security personnel would have conflict resolution skills and would be able to perform professionally in dangerous situations.

In consideration of the testimony presented, your Committee has amended the concurrent resolution by:

- (1) Adding a WHEREAS clause explaining that school security received the highest priority at the Ke Ala Hoku student conference;
- (2) Deleting the WHEREAS clause stating that security personnel should demand detention for students who damage school property;
- (3) Revising the WHEREAS clause stating that female security personnel are important, and instead stating that security personnel of each gender are needed;
- (4) Deleting the WHEREAS clause having to do with suspension for breaking school rules;
- (5) Adding a BE IT FURTHER RESOLVED clause to exempt existing security personnel from any new requirements.
- (6) Revising the BE IT RESOLVED clause to make the Department of Human Resources Development the lead agency to perform the study, and including HGEA as a participant; and
- (7) Revising the BE IT FURTHER RESOLVED clause to request an action plan by November 1, 1997.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 31, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 31, HD 1.

Signed by all members of the Committee except Representatives Takamine and Tarnas.

SCRep. 1115 Education on H.C.R. No. 21

The purpose of this concurrent resolution is to request the Board of Education to formulate a uniform written policy and the Department of Education to formulate procedures to address the concerns and grievances of students, parents, and the general public.

Comments on the concurrent resolution were submitted by an individual.

Your Committee endorses the concept of having a written policy and procedures to be followed to process and resolve concerns about the public schools expressed by students, parents, and the community. However, the concurrent resolution, as received, is overly specific in detailing the types of procedures that are expected to be developed.

The concurrent resolution has been amended by:

- (1) Deleting reference to personnel rights and to the specific rights granted in the area of student discipline;
- (2) Deleting reference to the creation of a student advocate by the University of Hawaii;
- (3) Deleting the request to the Department of Education to develop specific procedures, but that it develop unspecified procedures to address concerns; and
- (4) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.C.R. No. 21, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 21, HD 1.

Signed by all members of the Committee except Representatives Morihara and Takamine.

SCRep. 1116 Human Services and Housing and Health on S.B. No. 1548

The purpose of this bill is to correct a budget shortfall by providing emergency appropriations in the amount of \$53,895,408 in general funds for fiscal year 1996-1997 to be used for health care payments for medical assistance recipients.

Your Committees received supportive testimony from the Department of Health (DOH), the Healthcare Association of Hawaii, the Waianae Coast Comprehensive Health Center (WCCHC), and the Hawaii Long Term Care Association. In addition, the DOH and the WCCHC submitted recommendations.

Your Committees recognize the urgency of this measure and recommend its immediate passage.

After careful consideration, your Committees have amended this measure by:

- (1) Restoring the original amount of \$55,402,862 to be used for health care payments for medical assistance recipients;
- (2) Clarifying that \$750,000 of the appropriated sum will be used for wraparound payments;
- (3) Designating Hawaii Qualified Health Centers as recipients of the carve-out so all health centers and not just the WCCHC, might potentially benefit; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1548, S.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1548, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees.

SCRep. 1117 Tourism and Finance on S.B. No. 1433

The purpose of this bill is to provide emergency funding for tourism marketing covering Japan and the United States.

Your Committees have received a message from the Governor, dated January 27, 1997, stating that:

- (1) Emergency funding is needed because the timely passage of a Biennium Appropriations Act cannot be assured; and
- (2) The funding is necessary because the effort to stem the predicted downward trend in visitor arrivals in the first quarter of 1997 must be accommodated as soon as possible.

As affirmed by the records of votes of the members of your Committees on Tourism and Finance that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1433, S.D. 1, and recommend that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committees except Representatives Kahikina, Morita, Marumoto, McDermott, Meyer and Ward.

SCRep. 1118 Judiciary on S.B. No. 1037

The purpose of this bill is to make an appropriation for special prosecution units and victim witness programs for the counties of Maui, Kauai, Hawaii, and the City and County of Honolulu.

The Department of the Prosecuting Attorney for the City and County of Honolulu, the Honolulu Police Department, the Office of the Prosecuting Attorney of the County of Hawaii, the Department of the Prosecuting Attorney of the County of Maui and the Maui County Council testified in support of the measure.

Your Committee finds that victims are usually the key witnesses in a case and that without their testimony, criminals may not be convicted and could remain free to injure others in the community. As such, your Committee finds that special prosecution units and witness assistance programs are invaluable in protecting public safety and the rights of victims in the State.

Your Committee has amended this bill by inserting \$1 for the appropriation for the purpose of discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1037, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1037, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1119 Judiciary on S.B. No. 1571

The purpose of this bill as received by your Committee on Judiciary is to substitute the term "delayed" in connection with vital statistics event registration with the term "late" registration to allow present staff of the Office of Health Status Monitoring to process both delayed and late registrations.

The Department of Health submitted testimony in support of this measure. The Hawaii Government Employees Association expressed reservations about the bill. The Office of Information Practices submitted comments, but took no position.

Your Committee finds that public access to vital statistics index data results in many unintended consequences because of computer technology and the use of the data for fraudulent purposes. The ability of the computer to combine information (index data) from vital statistics records can inadvertently reveal confidential information.

Your Committee has amended this measure by deleting section 338-18(d), so that access to this confidential information is no longer authorized, as requested by the Department of Health.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1571, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1571, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1120 Human Services and Housing on S.B. No. 1631

The purpose of this bill is to authorize any state agency to contract with a tax exempt, private, nonprofit corporation for the purpose of coordinating policy, disbursing public funds, and implementing community plans related to the provision of early childhood education and care services.

Both written and oral testimony submitted by the Department of Human Services, the Office of the Governor, the Office of Hawaiian Affairs, the Department of Education, the Department of Health, the Junior League of Honolulu, the Executive Director of the Good Beginnings Alliance, and the Chairman of same said organization made it quite clear that there was strong support for this measure. The measure is aimed at solidifying a public and private partnership between the state, communities, and a private non-profit corporation established as a focal point for policy development and coordination of quality early childhood education and care services.

Your Committee passes this bill, but concurs with the Office of the Governor that the bill be amended to restore original language calling for the act to take effect upon its approval and that it shall be repealed on June 30, 2001.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1631, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1631, S.D. 2, HD 1, and that it be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 1121 Health on S.B. No. 263

The purpose of this bill is to require health insurance policies to cover contraceptive services, drugs, and devices. It provides a religious exclusionary clause to exempt religious organizations or religiously affiliated organizations if it is contradictory to their philosophy.

Your Committee received supportive testimony from the University of Hawaii at Manoa Student Health Services, Healthy Mothers Healthy Babies, Kapiolani Medical Center, Hawaii Nurses' Association, Kalihi-Palama Health Center, Hawaii State Commission on the Status of Women, Bay Clinic, Inc., and several concerned individuals. The Kokua

Kalihi Valley Health Clinic, Christian Science Committee, Hawaii Catholic Conference, and HMSA submitted comments on the measure.

Your Committee finds that providing access to family planning is cost effective and greatly reduces the medical and social problems which arise with unplanned pregnancies.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 263, S.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representative Whalen.
(Representative Pendleton voted no.)

SCRep. 1122 Energy and Environmental Protection on S.B. No. 1160

The purpose of this bill, as received by your Committee, is to:

- (1) Require the Department of Transportation (DOT) to:
 - (A) Adopt administrative rules for the registration of electric vehicles; and
 - (B) Establish and issue a special license plate which identifies the vehicle as an electric vehicles;
- (2) Exempt electric vehicles from the payment of:
 - (A) State and county parking fees, including parking meters; and
 - (B) Motor vehicle registration fees, electric vehicle license plate fees, and any other registration fees for a period of five years, provided that DOT review and assess the financial impacts of the incentive program on a biennial basis to determine if any changes are warranted; and
- (3) Exempt electric vehicles from high occupancy vehicle (HOV) restrictions or other traffic control measures.

Testimony in support of this bill was received from the DOT, the Department of Business, Economic Development, and Tourism, the High Technology Development Corporation, the Hawaiian Electric Company, the Electric Vehicle Association of Hawaii, and an electric vehicle owner. No testimony in opposition to this bill was received.

Upon further consideration, your Committee has amended this bill by:

- (1) Limiting the period of exemption from HOV restrictions to five years, rather than an indefinite period of time;
- (2) Increasing the years of exemption from motor vehicle registration fees from five years to ten years;
- (3) Deleting the requirement that DOT review the incentive program every two years; and
- (4) Making technical, nonsubstantive changes for purposes of style and clarity.

Your Committee believes that the intent of this bill is to support the development and consumer acceptance of electric vehicles within the State.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1160, S.D. 1, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Tarnas.
(Representative Meyer voted no.)

SCRep. 1123 Agriculture on S.B. No. 1016

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to modify or extend pasture leases.

DLNR and the Hawaii Farm Bureau submitted testimony in support of this measure.

Your Committee notes that the Farmers Home Administration no longer exists and has been replaced by two, newly-created agencies within the United States Department of Agriculture, the Rural Development Agency and the Farm Services Agency.

Accordingly, your Committee has amended this bill by replacing the term "Farmers Home Administration" with the "United States Department of Agriculture."

Your Committee recognizes the need for allowing lease term extensions for ranchers who need to secure financing to improve their infrastructure to meet operational standards. This bill expands the categories of leases eligible to secure long-term extensions when necessary to qualify the leases for mortgage lending purposes.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1016, HD 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Herkes, Morita and McDermott.

SCRep. 1124 Economic Development and Business Concerns on S.B. No. 871

The purpose of this bill is to expedite and facilitate the approval process within each state agency for county building permit applications requiring state agency approval, by:

- (1) Establishing a Permit Process Task Force (Task Force) within the Department of Business, Economic Development, and Tourism (DBEDT) to streamline and facilitate the state permit approval process; and
- (2) Making DBEDT the lead agency to administer and facilitate the consolidated application procedure for projects that require both county permit applications and state agency approval.

Your Committee received testimony in support of this bill from the Office of Planning, the Consulting Engineers Council of Hawaii (CECH), the American Institute of Architects (AIA) Hawaii State Council, Pacific Resource Partnership, and the Land Use Research Foundation. Testimony in support of the intent of this bill was submitted by the Department of Health. The Sierra Club submitted testimony in opposition to this bill.

Your Committee recognizes that expediting the permit approval process for county building permit applications requiring state agency approval is vital to stimulate Hawaii's construction industry. In addition, identification of inefficiencies, delays, and duplications will aid businesses and consumers both in the time and costs saved. Your Committee further recognizes that specification of consolidated application procedures for permit approval by rule and permit approval by review are necessary for guidance.

Accordingly, your Committee has amended this bill by:

- (1) Stipulating that the bill does not amend the underlying requirements for a building permit;
- (2) Specifying the consolidated application procedure process and requirements for county permits requiring state permit approval;
- (3) Changing the composition of the Task Force members by:
 - (a) Adding to the Task Force, the Comptroller or the Comptroller's designated representative, and the Chairperson of the Board of Land and Natural Resources;
 - (b) Deleting from the Task Force, representatives of labor and management, and representatives from the public at-large representing community interests, native Hawaiian rights, and protection of natural resources; and
 - (c) Specifying that architects on the Task Force are to be AIA Hawaii State Council members and engineers are to be CECH members; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 871, S.D. 2, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 1125 Economic Development and Business Concerns on S.B. No. 647

The purpose of this bill is to validate written waivers of liability for the inherent risks associated with commercial recreational activities if the owner or operator of the activity provides full disclosure of the inherent risks, and takes reasonable steps to ensure that each customer is physically able to participate in the activity.

The Activity Owners Association of Hawaii, Maui Commercial Boaters and Ocean Affiliated Transportation (MCBOAT), eight activity providers, and one private individual submitted testimony in support of this bill.

Your Committee believes that clarifying the liability of owners and operators of recreational activities and allowing voluntary written waivers to limit that liability will promote and encourage recreational business activity in the State.

Your Committee has amended this bill by substituting its provisions with the provisions of H.B. No. 581, HD 1.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 647, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 647, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1126 Economic Development and Business Concerns on S.B. No. 1881

The purpose of this bill is to establish a benchmarking pilot project on the Waianae Coast.

The Office of Planning, the Aloha United Way, three members of the Hawaii Community Services Council, Bank of Hawaii, the Waianae Coast Coalition, the Waianae Ahupuaa Council, Ohana Lualualei Ahupuaa, and two private individuals submitted testimony in support of this bill.

Your Committee finds that this bill will further benchmarking efforts for developing the economy and improving the quality of life on the Waianae Coast.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1881, S.D. 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1127 Health on S.B. No. 1574

The purpose of this bill is to update the law to cover current practices and to repeal that which is no longer necessary by:

- (1) Allowing an extension of the provisional admission to school for children who have not completed the Department of Health's (DOH) required immunization schedule;
- (2) Requiring the school administrator, rather than the DOH, to notify the parent or guardian that their child will not be admitted to school if the required immunizations or physical examination is not completed within thirty days of notice;
- (3) Extending the authority of school health aides to administer medication;
- (4) Clarifying quality assurance standards for HIV testing;
- (5) Allowing the DOH to centralize its roster of exemptions from immunizations or vaccinations; and
- (6) Repealing chapter 321, part XI, Hawaii Revised Statutes, providing state financial assistance for the care and treatment of chronic renal disease.

The Department of Education submitted testimony in support of this measure. The Hawaii Government Employees Association and the DOH submitted testimony in support of this measure and recommended amendments.

Your Committee finds that:

- (1) It is necessary to extend the three-month provisional admission of children who have not completed their immunizations in accordance with DOH requirements because the minimum intervals between doses for some immunizations, such as the Hepatitis B and Tetanus-Diphtheria, are longer than the time allowed;
- (2) It will be more efficient and expeditious for school administrators to send out exclusion notices to parents or guardians as soon as children are identified by the schools as not having completed required immunizations or physical examinations;
- (3) Allowing school health aids to administer certain medications with the authorization of parents or guardians will help to protect the health of children while at school;
- (4) Amendments to current law dealing with quality assurance standards for HIV testing should reflect current testing methods and Food and Drug Administration approval requirements;
- (5) Allowing DOH to maintain the complete roster of all exemptions from immunizations or vaccinations in the Immunization Program Office in Honolulu will allow for better planning and outbreak management of vaccine-preventable diseases; and
- (6) The repeal of chapter 321, part XI, Hawaii Revised Statutes, is warranted since current Medicare and Medicaid programs make state funds for medical costs associated with chronic renal disease unnecessary.

Your Committee has amended this measure by:

- (1) Allowing school health aides to administer other medications needed for emergency situations such as severe reactions to bee stings or asthma; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1574, S.D. 1, as amended herein, and recommends that

it pass Second Reading in the form attached hereto as S.B. No. 1574, S.D. 1, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1128 Health on S.B. No. 1584

The purpose of this bill is to allow the Hawaii State Health Planning and Development Agency (SHPDA) to continue to move forward and improve its health care planning and implementation processes in light of current and future environmental changes by streamlining SHPDA and allowing it to evolve from an agency designated for a fee-for-service health care environment to one more adaptable to a managed care environment.

SHPDA, the Central Oahu, Hawaii County, Kauai County, Windward Oahu, Tri-Isle, and Waianae Coast Subarea Health Planning Councils, the Hawaii Government Employees Association, the Hawaii Nurses' Association, Straub Clinic and Hospital, the Queen's Health Systems, the Hawaii Medical Service Association, Kaiser Permanente, the Healthcare Association of Hawaii, International Life Support, and two concerned individuals submitted testimony in support of this measure.

Your Committee finds that the health care industry is evolving. The once dominant fee-for-service health care environment has now moved into a managed care environment; where it once was the providers that dictated the market, it is now the community. Your Committee further finds that the proposed process will benefit SHPDA, providers, and the community, and will still emphasize the importance of cost containment, access, and quality of care in Hawaii's health care system today.

Your Committee has amended this measure by:

- (1) Specifying that bed changes that involve ten per cent or ten beds, whichever is less, of the facility's existing licensed bed types within a two-year period, and which do not change the facility's scope of services, is exempt from certificate of need requirements;
- (2) Clarifying and extending the rules of the administrative penalty to persons who violate provisions under the certificate of need; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1584, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1584, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1129 Energy and Environmental Protection on S.B. No. 447

The purpose of this bill is to require state and county agencies responsible for roadside vegetation maintenance to develop and implement integrated vegetation management strategy programs to minimize the use of herbicide.

The Democratic Party of Hawaii and an individual supported this measure. The Department of Health, the Department of Transportation, and Applied Public Relations supported the intent of this bill.

Comments were submitted by the Department of Public Works of the City and County of Honolulu, the Sierra Club, Hawaii Chapter, and Life of the Land.

Your Committee has amended this measure by deleting its substance and inserting the provisions of H.B. No. 447, HD 2. As further amended by your Committee, this measure:

- (1) Requires the adoption of an integrated vegetation management program for both the State and the counties. Such a program may utilize nonchemical methods whenever feasible;
- (2) Requires the State and the counties to design an integrated vegetation management strategy for the control of weeds along public roads to minimize maintenance costs as well as the risks associated with the use of herbicides;
- (3) Sets targets for the reduction in the percent of public roads that may use herbicides. For the State and the counties, these targets are at least:
 - (A) Twenty-five percent by January 1, 1998; and
 - (B) Fifty percent by January 1, 2000.

The baseline for these targets shall be based on the percentage of public roads along which herbicides were applied during fiscal year 1992-1993;

- (4) Authorizes the State and counties to exempt roads from these targets in situations where the reduction of herbicides is not feasible or safe due to the terrain, vegetation, and site conditions;

- (5) Revises the definition of "nonchemical methods" to make it more consistent with the terms used in the definition of "integrated vegetation management"; and
- (6) Requires the Department of Transportation to submit a preliminary report to the Legislature no later than twenty days before the convening of the 1998 Regular Session, to monitor the progress of state and county compliance with the provisions of this measure.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 447, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 447, S.D. 1, HD 1, and be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Tarnas.

SCRep. 1130 Energy and Environmental Protection on S.B. No. 1018

The purpose of this bill is to:

- (1) Increase the energy conservation income tax credit for solar energy systems from 35 percent to 50 percent; and
- (2) Extend the energy conservation income tax credit for an additional ten years.

The Department of Business, Economic Development, and Tourism, the Department of Health, the Sierra Club, Hawaii Chapter, the Hawaii Renewable Energy Alliance, the Hawaii Solar Energy Association, Hawaiian Electric Company, Inc., and the Inter-island Solar Supply supported this measure.

The Department of Taxation opposed this bill. The Tax Foundation of Hawaii commented on this measure.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting the provisions of H.B. No. 1248, which extends the duration of the energy conservation income tax credits for an additional ten years.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1018, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1018, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hamakawa, Morihara and Tarnas.

SCRep. 1131 Health and Human Services and Housing on S.B. No. 1572

The purpose of this bill is to make certain programs in the Department of Health (DOH) more financially self-sustaining.

Specifically, this bill:

- (1) Creates the Vital Statistics Improvement Special Fund in the DOH;
- (2) Raises the fees for obtaining certified copies of certificates issued by the DOH;
- (3) Credits \$1 from the costs of each certified copy of certificates to the Vital Statistics Improvement Special fund;
- (4) Designates the remaining balance of this fee to be divided between the two Spouse and Child Abuse Special Accounts which are currently administered and expended by the Department of Human Services (DHS) and the Judiciary; and
- (5) Requires the DOH, the DHS, and the Judiciary to jointly determine the manner in which these funds will be expended.

The Hawaii State Commission on the Status of Women submitted testimony in support of this measure and provided recommendations. The Judiciary submitted opposing testimony for specific sections of this measure and provided comments. The DOH submitted testimony in opposition of this measure and suggested amendments.

Your Committees find that setting fees in statute and the creation of special funds within the DOH will enable the DOH to provide funding to support the family violence prevention needs in our communities in a timely manner. At the same time, a mechanism will be established to issue certified copies of certificates more efficiently, providing better service to the general public who will be subject to the increase in fees for obtaining certified copies.

After careful consideration, your Committees have amended this measure by:

- (1) Establishing within the state treasury the Domestic Violence Special Fund (DVSF) to be administered and expended by the DOH;
- (2) Exempting the DVSF from central service expenses;

- (3) Exempting the DVSF from being responsible for its pro rata share of the administrative expenses incurred by the DOH;
- (4) Designating \$1 each from the fees collected for certified copies of certificates to:
 - (A) The Domestic Violence Special Account established under section 346-7.5, Hawaii Revised Statutes (HRS);
 - (B) The Domestic Violence Special Account established under section 601-3.6, HRS;
 - (C) The Hawaii Children's Trust Fund;
 - (D) The DVSF; and
 - (E) The Vital Statistics Improvement Special Fund;
- (5) Eliminating all amendments regarding the Spouse and Child Abuse Special Accounts within the DHS and the Judiciary;
- (6) Appropriating \$250,000 each out of the DVSF and the Vital Statistics Improvement Special Fund for fiscal years 1997-1998 and 1998-1999 to carry out the purposes of these special funds; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1572, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1572, S.D. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Stegmaier and Whalen.

SCRep. 1132 Health on H.C.R. No. 18

The purpose of this concurrent resolution is to provide parity and nondiscrimination in health care for mental illness and substance abuse by requesting the Auditor to assess the social and financial effects of making insurance coverage for mental illness and substance abuse equivalent to the coverage for physical illness.

The Hawaii Medical Association, the Hawaii Medical Service Association (HMSA), the Hawaii Government Employees Association, the National Association of Social Workers, the Hawaii Psychological Association, the Equal Insurance Coalition, the Hawaii Psychiatric Medical Association, and a concerned individual submitted testimony in support of this measure. The Mental Health Community Coalition submitted testimony in support of this measure and provided comments.

Your Committee finds that nondiscriminatory coverage for mental illnesses will likely reduce societal problems such as homelessness and crime, while also reducing the costs of certain social welfare programs. However, your Committee is sensitive to the concerns of HMSA and other insurance carriers to provide parity in insurance plans.

Your Committee recognizes the difficulty in differentiating between separate mental health and substance abuse cost analysis. For example, an individual with extreme mental illness may also be a substance abuser, thereby complicating a cost study for separate services. However, your Committee urges the Auditor to be sensitive to this concern and attempt to analyze the annual costs for substance abuse and mental health as separate services.

After careful consideration, your Committee has amended this measure by:

- (1) More closely mirroring the statutory language of section 23-51, Hawaii Revised Statutes, by specifying that the study assess the effects of mandating:
 - (A) All individual, group accident, and sickness insurance policies issued in this State;
 - (B) Individual or group hospital or medical service plan contracts; and
 - (C) Nonprofit mutual benefit association and health maintenance organization health plan contracts,
 to include in their medical coverage benefits for alcohol dependence, drug dependence, and mental illness treatment services equal to other medical illnesses;
- (2) Deleting reference to data to be collected on the numbers of homeless and general assistance recipients who might benefit from mandated health insurance coverage in order to prevent any delays that might occur due to the difficulty in identifying and obtaining this information;
- (3) Stating that the study should, at a minimum, be made to isolate the cost data/analysis allocated to:
 - (A) Inpatient/hospitalization services;
 - (B) Outpatient services; and
 - (C) Substance abuse services,

and expanding the criteria of the study;

- (4) Deleting the Insurance Commissioner and including the Director of Health and the Equal Insurance Coalition as recipients of a certified copy of this concurrent resolution;
- (5) Declaring the urgency of the Auditor's report to be submitted on a timely basis;
- (6) Changing the title of the concurrent resolution to more accurately reflect its purpose; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 18, as amended herein, and recommends that it be referred to the Committee on Consumer Protection and Commerce, in the form attached hereto as H.C.R. No. 18, HD 1.

Signed by all members of the Committee.

SCRep. 1133 Economic Development and Business Concerns on S.B. No. 1428

The purpose of this bill is to permit the temporary use of vessels for film production purposes in areas where these vessels would otherwise be restricted or prohibited by state law or administrative rules.

Specifically, this bill:

- (1) Excludes from the definition of "commercial vessel" in small boat harbors and Kaneohe Bay, vessels engaged in temporary use for film production purposes in accordance with a film permit issued by the Department of Business, Economic Development, and Tourism (DBEDT); and
- (2) Specifies the period of temporary use, which is not to exceed fourteen hours a day, five days a week, excluding weekends, and for a period not to exceed thirty calendar days.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources (DLNR), DBEDT, the International Alliance of Theatrical State Employees Local 665, the Screen Actors Guild Hawai'i, BOATS/HAWAII Inc., and two members of the film industry.

This bill is similar to H.B. No. 1698, HD 1, which passed out of the House of Representatives earlier this session after public hearings before this Committee and the Committee on Ocean Recreation and Marine Resources.

Your Committee has made amendments to conform this bill to H.B. No. 1698, HD 1, including:

- (1) Deleting the provision specifying that the bill shall not waive any federal requirements relating to any vessel or its operator that is carrying passengers or cargo for hire;
- (2) Authorizing DBEDT to make allowances to include weekends for film production purposes due to inclement weather conditions during the weekday period; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1428, S.D. 1, HD 1, and be referred to the Committee on Ocean Recreation and Marine Resources.

Signed by all members of the Committee.

SCRep. 1134 Higher Education on S.B. No. 969

The purpose of this bill is to abolish the \$25 fine limit the University of Hawaii Board of Regents may impose on vehicle violations.

The University of Hawaii submitted testimony in support of this measure.

Your Committee finds that the \$25 ceiling on fines has remained unchanged since 1964 and is not a sufficient deterrent against parking violations. Deletion of the statutory ceiling would enable the University to adjust its parking fines to more closely conform with those currently authorized under City and County of Honolulu and other state regulations.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morita, Santiago, Stegmaier, Yonamine and McDermott.

SCRep. 1135 Health on S.B. No. 1087

The purpose of this bill is to improve the efficiency and quality of the State's mental health system as it relates to the Judiciary by creating a Mental Health Statutes Task Force (Task Force) to review the laws and procedures for involuntary commitment and treatment decisions.

Specifically, the Task Force will make recommendations:

- (1) For the improvement of the involuntary commitment and treatment laws in order to reduce the wait lists for proper mental health treatment in the jails and the community;
- (2) To reduce the number of injuries to patients and staff at the Hawaii State Hospital; and
- (3) To make the system more efficient.

The Hawaii Psychiatric Medical Association submitted testimony in support of this measure. The Department of Health submitted supportive testimony and provided recommendations. The Judiciary, the Oahu Alliance for the Mentally Ill, the Protection and Advocacy Agency of Hawaii, the Mental Health Association of Hawaii, and the Mental Health Community Coalition submitted comments on this measure.

Your Committee finds that within the context of involuntary commitment, there lies a constant dilemma. There needs to be a proper balance between the assurance of legal safeguards and the assurance of safety by granting mental health and social service professionals sufficient discretion and autonomy in making treatment decisions. Oftentimes, a perfect balance cannot be reached because the process often involves competing moral values, political ideologies, different personal experiences, and different approaches to problem solving.

Your Committee believes that a task force will provide a good opportunity to improve the efficiency and quality of health care for those with severe mental illness.

Your Committee has amended this measure by:

- (1) Increasing the number of members to serve on the Task Force from eight to eleven;
- (2) Removing the Judiciary as a member of the Task Force because they must ultimately interpret the laws, thereby reducing the number of members from government from four to three;
- (3) Adding one member to the Task Force from the University of Hawaii Richardson School of Law;
- (4) Adding one member to the Task Force who is a recipient of involuntary commitment and treatment for mental illness;
- (5) Adding two members to the Task Force that are family members of recipients of involuntary commitments and treatment for mental illness; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1087, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1087, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1136 Health on S.B. No. 497

The purpose of the bill is to assist the Governor and the Legislature in devising and carrying out the policies, principles, and recommendations of a comprehensive plan for the coordination of services provided to persons with Traumatic Brain Injury (TBI) by establishing within the Department of Health (DOH) a TBI program and advisory board.

The Hawaii Nurses' Association, the Hawaii Medical Association, the Commission on Persons with Disabilities, the Roman Catholic Church in Hawaii, and three concerned individuals submitted testimony in support of this measure. DOH submitted supportive testimony and provided comments.

Your Committee finds that TBI has become the number one killer and cause of disability of young people in the United States. Motor vehicle accidents, sports accidents, falls, and increased violence are the major causes of TBI, which can cause significant impairment to a person's physical, psychological, and cognitive functional abilities.

Your Committee believes that education and the prevention of TBI is necessary. Measures such as prohibiting passengers to sit in the beds of pick-up trucks and requiring motorcycle riders to wear helmets will result in a decreased prevalence of TBI, just as seat belts reduce the risk of death from auto accidents.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 497, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 497, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1137 Higher Education on S.B. No. 1336

The purpose of this bill is to clarify the role and responsibilities of the Research Corporation of the University of Hawaii (RCUH) to specifically include training as one of its purposes.

The University of Hawaii and the Research Corporation of the University of Hawaii submitted testimony in support of this measure.

Your Committee finds that the statutory statement of RCUH's purpose implies that it may conduct training. However, since the term "training" is not specifically stated, the ability of the University of Hawaii to obtain grants for training may be impaired. This bill removes any question of the ability of RCUH to receive these grants.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1336 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1138 Water and Land Use on S.B. No. 168

The purpose of this bill is to protect certain Hawaiian antiquities by:

- (1) Prohibiting the sale or purchase of antiquities unless right of possession can be demonstrated; and
- (2) Establishing civil fines and criminal sanctions for violations.

The Department of Land and Natural Resources and the Office of Hawaiian Affairs supported this measure.

Upon further consideration, your Committee has amended this bill by:

- (1) Expanding the definition of "antiquity" to include religious or utilitarian images. This amendment will protect significant religious artifacts as well as objects such as spear holders, canoes, and spittoons; and
- (2) Making technical, nonsubstantive amendments to correct technical drafting errors.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 168, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 168, S.D. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Kanoho, Yoshinaga and Meyer.

SCRep. 1139 Human Services and Housing and Health on S.B. No. 1032

The purpose of this bill is to protect people from unskilled, untrained, and ill-prepared marriage and family therapists by establishing standards of education, qualifications, and experience for professionals representing themselves as marriage and family therapists.

Supportive testimony was received from the Hawaii Psychological Association, the Hawaii Association of Marriage and Family Therapists, the Hawaii State Teachers Association, Catholic Charities, the Samaritan Counseling Center of Hawaii, Keolumana United Methodist Church, Spiritual Life Center, Hope Chapel, Aiea United Methodist Church, Sisters of St. Joseph of Carondelet, P.A.R.E.N.T.S., St. Michael and All Angels' Episcopal Church, the American Association of Retired Persons, Holy Trinity Church, and numerous individuals. Comments were submitted by the Department of Commerce and Consumer Affairs.

Your Committees are well aware of the mental and emotional problems that are afflicting many of the families in Hawaii. Licensure of marriage and family therapists is an important step toward making their services more readily available to Hawaii's families and toward ensuring that only qualified persons practice in this important field. Your Committees believe that marriage and family therapy is a highly valued and important approach to the problems of distressed couples and families.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1032, S.D. 2, and recommend that it pass Second Reading and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committees except Representatives Kawakami and Whalen.

SCRep. 1140 Human Services and Housing and Health on S.B. No. 1553

The purpose of this bill is to exempt extended care adult residential care homes and assisted living facilities from the state health planning and development agency's (SHPDA) certificate of need requirements.

Both written and oral testimony offered by the Department of Human Services (DHS), the Queen Emma Foundation, the Building Industry Association of Hawaii, and several individual citizens, revealed strong support for this measure aimed at creating an exemption for assisted living facilities and extended adult residential care homes from the certificate of need requirements currently mandated.

Your Committees discussed and considered this important measure, acknowledging the current high cost of long-term care and the need for more feasible, cost effective, alternatives to nursing homes for our aging population and, therefore, pass this bill unamended.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1553, S.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1141 Human Services and Housing on S.B. No. 161

The purpose of this bill is to exempt after-school, weekend, and summer recess programs conducted by the Department of Education (DOE) from the child care licensing process.

The Department of Human Services (DHS) submitted testimony in support of the intent of this measure and provided amendments. The Family Services Center submitted comments on this measure. Your Committee received opposing testimony from the Department of Parks and Recreation of the City and County of Honolulu.

Your Committee finds that the City and County of Honolulu services over 12,000 children and teens in its summer program. In the absence of an exemption, programs such as Summer Fun may be jeopardized.

After careful consideration, your Committee has amended this measure by:

- (1) Exempting from regulation as a child care facility child care programs conducted by counties for children five years old or older, provided that each county will adopt rules and regulations for their programs;
- (2) Exempting from regulation as a child care facility any home that provides child care functions, provided that they only care for children who are of that household; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 161, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 161, S.D. 1, HD 1, and be referred to the Committee on Education.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1142 Health on S.B. No. 377

The purpose of this bill is to require health care providers to report a patient's blood alcohol content to the police if the patient has been involved in a motor vehicle collision resulting in injury or death and if the patient's blood alcohol content meets or exceeds the legal intoxication limit.

The bill also provides that the notice given to the police by a health care provider establishes probable cause as to the intoxication element if a criminal offense has occurred.

The Department of the Attorney General, the Department of the Prosecuting Attorney and the Police Department of the City and County of Honolulu, Mothers Against Drunk Driving, the Hawaii Medical Association, the Hilo Medical Center, and ten concerned individuals submitted testimony in support of this measure. The Hawaii Nurses' Association submitted testimony in opposition of this measure.

Your Committee strongly supports this bill. It is your Committee's intent to continue to strengthen the State's policy of removing impaired drivers from the roadways and ensuring that they face the penalties prescribed by law.

Your Committee has made technical, nonsubstantive amendments to the bill.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 377, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 377, S.D. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1143 Health on S.B. No. 1589

The purpose of this bill is to authorize the Department of Health to conduct multidisciplinary and multiagency reviews of child deaths to reduce the incidence of preventable child deaths.

The Department of Health, the Department of Human Services, the Office of Information Practices, the Judiciary, the Kapiolani Medical Center, the Hawaii and Kauai County Police Departments, the Keiki Injury Prevention Coalition, the Child and Parent Advocates, and Healthy Mothers Healthy Babies Coalition of Hawaii supported this measure. The Department of Health recommended amendments for clarification of some of the bill's provisions.

Your Committee finds that only by understanding the causes of child deaths will it become possible to prevent additional deaths. Each child death that is thoroughly investigated will provide new insights into the causes of these tragedies and point to methods of prevention.

Your Committee amended the bill as suggested by the Department of Health to clarify its provisions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1589, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1589, S.D. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1144 Agriculture on H.C.R. No. 6

The purpose of this concurrent resolution is to request the Director of Transportation to include an agricultural inspection facility in the design of cargo facilities at all airports.

Your Committee received testimony commenting on the measure from the Department of Transportation (DOT) and the Department of Agriculture (DOA).

In its testimony, the DOT indicated that agricultural inspection facilities are not needed for all airports, but rather only at those airports where state DOA personnel currently inspect cargo and baggage, namely Honolulu International Airport (HIA), Keahole-Kona International Airport, Hilo International Airport, and Kahului, Lihue, Molokai, and Lanai airports. DOT also stated that it would be cost prohibitive to require all cargo entering HIA be inspected indoors, especially since none of the seven major cargo buildings at HIA are capable of inspecting all cargo indoors. DOT agrees that a cargo inspection building at Kahului Airport is a desired requirement and plans to evaluate the need for such facilities at the other six major airports.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 6 and recommends that it be referred to the Committee on Transportation.

Signed by all members of the Committee except Representatives Herkes, Morita and McDermott.

SCRep. 1145 Education on H.C.R. No. 8

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to study the feasibility of excluding educational officers from collective bargaining.

An individual submitted testimony in support of the concurrent resolution.

The Department of Education (DOE) submitted testimony in support of this measure. The Board of Education stated that DOE supports the exclusion of principals and vice principals from collective bargaining because they hold key managerial and leadership roles in the Department. However, in answer to questions posed at the hearing, the DOE representative admitted that while a principal, he had found this employee union helpful in supporting him on difficult management decisions that he had rendered.

The Hawaii State Teachers Association opposed the intent of the concurrent resolution. The Hawaii Government Employees Association and the principals of several public schools testified in opposition to the measure. The strongest sentiment expressed was that principals and vice principals are in "middle management" and that they should not be singled out among all the middle managers in state government.

Your Committee continues to support the intent of the concurrent resolution, which is, ultimately, to improve the management of the public school system. However, in consideration of the substantial testimony opposing the direction proposed by this measure, your Committee has taken a different approach.

Your Committee remains committed to improving the management of the schools through decentralization so that decision-making is shifted to the school level. Initiatives such as school/community-based management and student centered schools are intended to empower the school community, which includes school staff, parents, and students. In many cases, better decisions can be made at the school level than from an office far removed from the school. Decentralization is a national trend that has recently become popular in the field of education, but has already been accepted for some time now among large business corporations.

This measure has been substantially amended to focus on decentralization efforts in the Department of Education, with the intent of identifying shortcomings and making improvements. The concurrent resolution has been amended by deleting its substance and replacing it with the following:

- (1) A description of decentralization in the public school system;
- (2) Descriptions of various concerns regarding how decentralization has occurred;

- (3) A request to the Auditor for a management audit of decentralization in the Department of Education; and
- (4) A change in the title of the measure to reflect revisions to the body.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 8, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 8, HD 1.

Signed by all members of the Committee except Representatives Morihara, Santiago, Takamine and Yonamine.

SCRep. 1146 Higher Education on H.C.R. No. 27

The purpose of this concurrent resolution is the request the Office of Youth Services to develop a program that pairs college students with delinquent minors in Hawaii to track their progress and serve as mentors and role models.

The University of Hawaii submitted testimony in support of the measure. The Office of Youth Services submitted testimony in support of the intent of the measure.

Your Committee finds that the State has the responsibility to provide its youth with opportunities to reach their full potential and become productive, law-abiding citizens of our community. As such, there is a need to increase efforts to prevent delinquency and to provide for intervention activities among the State's youth. This concurrent resolution will develop the program structure to enable University students to become involved with fulfilling this need. The University students who are involved in this program will also benefit as they contribute to the well-being of these youth.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 27, HD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1147 Ocean Recreation and Marine Resources on H.R. No. 39

The purpose of this resolution is to urge the Department of Transportation to establish a cooperative agreement with the Pua Ka'ilima 'O Kawaihae Community Association to maintain a site at Kawaihae Commercial Boat Harbor for recreational ocean activities.

The Department of Transportation, the Department of Land and Natural Resources, a representative of the Pua Ka'ilima 'O Kawaihae Community Association and several concerned individuals submitted testimony in support of this measure.

Your Committee finds that the Pua Ka'ilima 'O Kawaihae Community Association is doing a tremendous and inspiring job of organizing the development of the site at Kawaihae as a public recreational, educational and cultural area. Your Committee also finds that the Department of Transportation has expressed willingness to establish a cooperative agreement on the land use and maintenance, and the Department of Land and Natural Resources expressed great interest in establishing a cooperative agreement with the group to develop and implement educational projects.

Therefore, your Committee amended this measure as follows:

- 1) Expanded the activities at the site to include educational and cultural; and
- 2) Urge the Department of Land and Natural Resources to enter into a cooperative agreement with the association to develop and implement educational programs at the site.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 39, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.R. No. 39, HD 1.

Signed by all members of the Committee except Representatives Goodenow, Meyer and Thielen.

SCRep. 1148 Ocean Recreation and Marine Resources on H.C.R. No. 42

The purpose of this concurrent resolution is to urge the Department of Transportation to establish a cooperative agreement with the Pua Ka'ilima 'O Kawaihae Community Association to maintain a site at Kawaihae Commercial Boat Harbor for recreational ocean activities.

The Department of Transportation, the Department of Land and Natural Resources, a representative of the Pua Ka'ilima 'O Kawaihae Community Association and several concerned individuals submitted testimony in support of this measure.

Your Committee finds that the Pua Ka'ilima 'O Kawaihae Community Association is doing a tremendous and inspiring job of organizing the development of the site at Kawaihae as a public recreational, educational and cultural area. Your Committee also finds that the Department of Transportation has expressed willingness to establish a cooperative agreement

on the land use and maintenance, and the Department of Land and Natural Resources expressed great interest in establishing a cooperative agreement with the group to develop and implement educational projects.

Therefore, your Committee amended this measure as follows:

- 1) Expanded the activities at the site to include educational and cultural; and
- 2) Urge the Department of Land and Natural Resources to enter into a cooperative agreement with the association to develop and implement educational programs at the site.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.C.R. No. 42, HD 1.

Signed by all members of the Committee except Representatives Goodenow, Meyer and Thielen.

SCRep. 1149 Human Services and Housing on H.C.R. No. 58

The purpose of this concurrent resolution is to request the Governor, the Office of Youth Services, the Department of Business, Economic Development, and Tourism, the University of Hawaii, and the United Nations, to plan and convene a summit for asian and pacific children and youth, in order to increase education, cultural understanding and awareness, and tolerance as means of promoting peace and ensuring children's rights throughout the world.

Both written and oral testimony received from the Office of Youth Services (OYS), the Governor's Office, the University of Hawaii School of Social Work, the American Friends Service Committee Hawaii program, along with a concerned citizen, indicated clear support for the intent of this measure and the need for focusing on the critical needs and rights of all children. However, both the OYS and the Governor's Office expressed their belief that they are inadequately funded at the present time to comply with this concurrent resolution's requests. The remaining groups and individual testifier heaped praise and encouragement on the Committee, while offering their full support and cooperation to meet the ends of this measure.

Your Committee recognizes that there is a critical need for funding such work aimed toward children and youth and after careful consideration of the concurrent resolution, the testimony submitted thereon, and desiring to keep children and youth a priority concern of the Legislature, your Committee passes this measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 58 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1150 Human Services and Housing on S.B. No. 252

The purpose of this bill is to maintain the social obligation of government to provide and maintain the proper infrastructure to support the most vulnerable and dependent citizens in our society.

Specifically, this bill:

- (1) Removes the two-year limit to General Assistance (GA) for disabled persons;
- (2) Establishes a special fund to be used for GA payments which would be capitalized by unexpended general fund appropriations made for the GA program; and
- (3) Creates a General Assistance Advisory Council (Advisory Council).

Your Committee received supportive testimony from the Hawaii Centers for Independent Living, the American Association of Retired Persons, the STRENGTH Coalition, the American Friends Service Committee, the ILWU Local 142, the National Association of Social Workers, the Mental Health Community Coalition, the Mental Health Association in Hawaii, the Protection and Advocacy Agency of Hawaii, the Legal Aid Society of Hawaii, the Commission on Persons with Disabilities, and seven concerned individuals.

The Department of Budget and Finance submitted testimony in opposition of this measure. The Department of Human Services, the Judiciary, and a concerned individual submitted comments.

Your Committee finds that to qualify for GA, individuals must have little or no income and be ineligible for other major assistance programs such as the Temporary Assistance for Needy Families, the new welfare block grant for poor families, Supplemental Security Income, or federal grants for the aged, blind, or disabled. Starting July 1, 1997, approximately 2,400 recipients will be terminated from the GA program in Hawaii, and an additional 300 or so each month thereafter.

Research on the outcome of people in other states who were removed from GA indicates that most of the people could neither find work nor rely on other forms of cash assistance. In Michigan, where the GA was abolished in 1991, over 80 percent of former GA recipients, nearly--66,000 individuals--did not work for most of the year following GA terminations.

Your Committee further finds that in Hawaii, the people slated to be terminated from GA are basically no different in ways that would raise questions about their deservedness from the people being allowed to remain on the program. They are not more likely to be male, chemical dependent, or suffering from physical disabilities. In fact, they are slightly less

likely to be male or chemical dependent, and they are much more likely to have a mental disability as their primary disability. The big difference is that they have now reached the arbitrary two-year time limit that the State has imposed for the receipt of GA.

Your Committee is sensitive to the fiscal constraints of the State, yet wishes to convey the importance of finding resources to provide assistance to GA recipients.

Your Committee has amended this measure by:

- (1) Authorizing the Governor to appoint a recipient of GA to serve on the Advisory Council;
- (2) Appropriating the sum of \$1 each for fiscal year 1997-1998 and 1998-1999 for the purposes of this Act;
- (3) Changing the effective date of this Act to July 1, 1997; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 252, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 252, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1151 Human Services and Housing on S.B. No. 1551

The purpose of this bill is to:

- (1) Establish a single payment rate for recipients in Adult Residential Care Homes (ARCH); and
- (2) Increase the single payment rate by \$50.00 per month.

The Department of Human Services (DHS), the Executive Office on Aging, the Hawaii Long Term Care Association, the United Group of Home Operators, and numerous individuals submitted testimony in support of this measure.

Your Committee believes that a single ARCH payment rate will offer several advantages over the current system, which requires a determination by DHS staff as to the appropriate level of care. The elimination of this responsibility will allow DHS staff to concentrate on providing case management services to better serve individuals' needs. It is also anticipated that the elimination of this responsibility will expedite the placement of individuals into ARCHs.

Your Committee has amended this measure by:

- (1) Appropriating \$1,365,888 for fiscal year 1997-1998 and \$1,380,888 for fiscal year 1998-1999 for the implementation of the payment schedule; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1551, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1551, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1152 Health and Human Services and Housing on S.B. No. 653

The purpose of this bill is to find a balance between privacy, fair employment practices, and public safety concerns by allowing hospitals, nursing homes, home health agencies, and other health care facilities to consider criminal records to determine whether employees or prospective employees are suited to work in close proximity to vulnerable patients.

Many patients in health care facilities are in a particularly vulnerable position. A person suffering from disease, injury, disability, or some other condition, or who is recovering from the effects of anesthesia is often unable to guard against a person who intends to injure them.

The Hawaii Long Term Care Association submitted testimony in support of this measure. Your Committees received supportive testimony and suggested amendments from the Executive Office on Aging, the Hawaii Nurses' Association, the Healthcare Association of Hawaii, and the Hawaii Civil Rights Commission.

Current law allows for criminal background checks for job applicants but, because of the State's anti-discrimination law, this information may not be used in making hiring decisions. This measure will allow employers to make decisions based on criminal background information, thereby protecting vulnerable patients.

Your Committees have amended this measure by:

- (1) Ensuring that when the law is repealed on June 30, 1999, the current law will be reenacted in its present form; and

- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 653, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 653, S.D. 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committees except Representatives Stegmaier and Whalen.

SCRep. 1153 Health and Human Services and Housing on S.B. No. 1352

The purpose of this bill is to require the Department of Health to implement a program to assist persons with disabilities and the elderly to successfully move from a fee-for-service health care system to a managed health care system.

The State Planning Council on Developmental Disabilities, the Legal Aid Society of Hawaii, the Mental Health Association in Hawaii, the Oahu Alliance for the Mentally Ill, and the American Association of Retired Persons submitted testimony in support of this measure. The Department of Human Services and the Commission on Persons with Disabilities submitted testimony in support of the intent of this measure. Comments were submitted by the Department of Health.

Your Committees believe that providing persons with disabilities and the elderly with benefits counseling is necessary, if not essential, to ensure that this population successfully moves from a fee-for-service program to managed care. Choosing between health plans can be confusing and complicated even under the best of circumstances. Persons with disabilities and the elderly have unique and complex needs that can limit their access to information and prevent them from making informed choices. Therefore, an informed benefits counselor can provide QUEST II participants with the appropriate and necessary information about which health plan best suits their individual needs, thus enabling participants to make an informed and independent decision concerning their health care plan.

Your Committees believe that this bill is vital to the well-being of this population of individuals with developmental disabilities and may reduce the burdens on other parts of the administrative benefits system in the future. Therefore, your Committees strongly urge the Department of Human Services to find the resources to implement the Transition to Hawaii Health QUEST Program.

Your Committees have amended this measure by:

- (1) Clarifying that the Department of Human Services is the responsible agency for implementing the transition program;
- (2) Limiting the availability of benefits counselors to no more than 13,000 participants in the QUEST II program;
- (3) Providing that the Department of Human Services begin implementation of the program at least sixty days before the close of enrollment in health and dental plans; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1352, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1352, S.D. 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1154 Transportation on S.B. No. 130

The purpose of this bill is to regulate the registration of special interest vehicles and exempt special interest vehicles from requirements for reconstructed vehicles.

Your Committee understands the importance of recreational activities for Hawaii citizens. Consequently, it is important to encourage responsible participation in the hobby of collecting, preserving, restoring, and maintaining motor vehicles of historic and special interest by regulating the registration of these special interest vehicles. The State's regulations prohibit these special interest vehicles from operating legally on our roads. Further, more than twenty states have enacted legislation for special interest vehicles by allowing special licensing and rules for their use on the road.

Testimony in favor of this bill was heard from the County of Honolulu, Department of Transportation, Hawaii Automotive Retail Gasoline Dealers and several private citizens.

Your Committee has amended this bill by inserting the provisions of H.B. No. 92, HD 1. Specifically, the amendments include:

- (1) Providing that a street rod vehicle or street rod replica vehicle be identified by its body type;
- (2) Deleting the provision allowing the issuance of a new title for a street rod vehicle when the applicant submits a bill of sale from the previous owner;
- (3) Requiring a weight certificate issued by a state certified scale for the actual weight of the vehicle;

- (4) Deleting the requirement that vehicles are to be driven only during fair weather and on well-maintained public highways;
- (5) Deleting the provision allowing special interest vehicle collectors to maintain vehicles on private property without regard to the operability of the vehicle;
- (6) Deleting the provision that exempts official inspection stations from liability for damages or injuries caused by special interest vehicles; and
- (7) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 130, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 130, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1155 Transportation on S.B. No. 1303

The purpose of this bill is to protect homeowners from higher rates for fire insurance when serviced by volunteer firefighters.

Your Committee finds that although state and county firefighters were exempted from the commercial driver's licensing law, a commercial driver's license is still required for insurance rate purposes when volunteer firefighters provide the fire protection. Your Committee finds that this bill applies only to the county of Hawaii which has about 500 volunteer fire fighters.

This bill proposes to allow insurers, for purposes of rate making, to treat homeowners who live in areas serviced by volunteer firefighters to have the same insurance rates as homeowners who live in areas serviced by county firefighters.

Testimony in favor of this bill was heard from Department of Labor and Industrial Relations, Honolulu Fire Department, Hawaii Fire Department and Hawaii Fire Chiefs Association.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1303 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 1156 Transportation on S.B. No. 1618

The purpose of this bill, as received by your Committee on Transportation, is to establish a transportation improvement fund to receive reimbursements from private developers who have been advanced public funds to fulfill the conditions of their contracts.

Your Committee finds that the Director of Transportation lacks flexibility in funding qualified projects, and for completion of previously authorized projects. Your Committee further finds that the Federal Highway Administration requires the establishment of a revolving fund to ensure that federal funds are used for the intended transportation purposes.

The proposed bill grants the Director of Transportation the necessary flexibility in funding transportation projects, and satisfies the requirement of the federal government.

Testimonies in favor of this bill were heard from the Department of Transportation, the Leeward Oahu Transportation Management Association, and The Estate of James Campbell.

Your Committee has amended this bill by deleting its provisions, and substituting provisions from House Bill 33 HD 1 which ensures that (1) No expenditure shall be made from the revolving fund without appropriation or allotment by the Legislature; and (2) No expenditure shall be made from, and no obligation, shall be incurred against, the revolving fund in excess of the amount standing to the credit of the revolving fund or for any purpose for which moneys from the revolving fund may not lawfully be made.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1618, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1618, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1157 Transportation on S.B. No. 1943

The purpose of this bill, as received by your Committee on Transportation, is to authorize the issuance of special motor vehicle license plates to combat veterans, veterans of the Vietnam conflict, veterans of World War II, and veterans of the Korean conflict.

Your Committee finds that there is a proliferation of requests for specialty license plates each session of the Legislature. Your Committee is aware that specialty plates are being issued for Honorary Consul, Veteran, Purple Heart, Former Prisoner of War, Pearl Harbor Survivor, and Disabled Person. Requests have been submitted this session that would allow specialty license plates for electric vehicles, UH alumni, school colors, conservation, native species, civilian employees working at Pearl Harbor or Hickam area on December 7, 1941, and alternate fuel vehicles.

Your Committee further finds that the design and issuance of motor vehicle license plates is the responsibility of the directors of finance of the various counties, and that it is more appropriate for the counties to process requests for specialty plates.

Your Committee has amended the bill by deleting its provisions, and substituting provisions that authorize the county directors of finance to adopt rules for processing requests and issuing specialty license plates.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1943, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1943, S.D. 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1158 Human Services and Housing on S.B. No. 1557

The purpose of this bill, as received by your Committee, is to increase the length of validity of child care licenses and temporary permits from one to two years.

The Department of Human Services (DHS) submitted testimony in support of this measure. A concerned individual submitted comments.

In addition to increasing the length of validity of child care licenses and temporary permits from one to two years, your Committee believes that:

- (1) Providing a mechanism for children to attend licensed preschools that provide quality services, as well as one that trains parents and provides staff development activities for teachers, is necessary; and
- (2) Making other amendments to child care concerns are important for keeping up with current policies and practices.

Upon careful consideration, your Committee has amended the bill by deleting the substance and inserting new material, the purpose of which is to:

- (1) Statutorily establish the statewide Preschool Open Doors early childhood education and child care program within DHS;
- (2) Extend the licensing period for family child care homes, group child care homes, and group child care centers from one year to two years;
- (3) Define a "family child care home" as a private home at which care can be provided for three to no more than six children who are unrelated to the caregiver by blood, marriage, or adoption, at any given time;
- (4) Extend the length of time a temporary permit may be granted to group child care homes and centers to a total time of twenty-four months; and
- (5) Allow DHS to cease to inspect or visit group child care homes and centers and family child care homes, provided that:
 - (A) The homes or centers have been licensed or registered for not less than four years; and
 - (B) No complaints have been received regarding the care providers.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1557, S.D. 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1159 Health on S.B. No. 136

The purpose of this bill is to allow registered nurses to professionally incorporate.

The Hawaii Nurses' Association submitted testimony in support of this bill.

Your Committee finds that the innovative direction in health care, particularly primary and preventive care and care to those with chronic illnesses, is to provide care in organized community settings where teams of health care providers, including nurses, social workers, and community outreach workers offer a combination of services to people in that community.

By including registered nurses in the Professional Corporations Act, this measure will permit the participation of registered nurses in this health care alternative, to the benefit of Hawaii's people.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 136 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1160 Health on S.B. No. 137

The purpose of this bill is to permit registered nurses to make pronouncements of death.

Testimony in favor of this bill was received from the Hawaii Nurses' Association and Healthcare Association of Hawaii.

Your Committee finds that this bill will reduce hardships for families who currently have to wait for a physician to determine a patient's death.

Your Committee further finds that permitting licensed registered nurses to make determinations of death recognizes the expertise of those nurses to make those determinations and legitimizes a practice that in reality has been in effect for a number of years,

This measure does not change the certification requirements of Chapter 338, Hawaii Revised Statutes, which requires that a physician certify a death.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 137 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1161 Ocean Recreation and Marine Resources on S.B. No. 1598

The purpose of this bill is to:

- 1) Limit the number and type of aquatic life that may be taken with a small mesh net;
- 2) Authorize the Department of Land and Natural Resources (DLNR) to adopt rules to allow use of traps with smaller than the minimum mesh size;
- 3) Delete the commercial marine license fee waiver for trainees; and
- 4) Provide DLNR with flexibility to exempt certain commercial marine licensees from having to report monthly.

Your Committee finds that managing Hawaii's aquatic resources is an important priority that has received inadequate attention in the past. Your Committee also concludes from the discussion of these issues that DLNR is limited in its legal authority to effectively manage the State's aquatic resources because it does not have clear authority to establish licenses and permits, open and closed areas and open and closed fisheries. Your Committee also supports the involvement of a scientific advisory panel and all affected parties in the rule-making process to maximize compliance with such rules.

Your Committee received testimony in support of this issue from DLNR and Boats/Hawaii, Inc.

Your Committee has amended this bill by adding a new section which provides DLNR expanded rule-making authority to establish licenses and permits, open and closed fishing areas and open and closed fisheries. In addition DLNR is required to consult a scientific advisory panel and community advisory groups in the process.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1598, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1598, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Meyer and Thielen.

SCRep. 1162 Ocean Recreation and Marine Resources on S.B. No. 1599

The purpose of this bill is to:

- 1) Authorize the Department of Land and Natural Resources (DLNR) to license commercial marine dealers;
- 2) Provide DLNR flexibility to exempt certain commercial marine dealers from having to report monthly; and
- 3) Increase the time commercial marine dealers are required to keep receipts.

Testimony supporting the intent of this measure was received from DLNR, Boats/Hawaii, Inc. and several private individuals.

Your Committee finds that it is valuable to license marine dealers in order to improve the monitoring and collection of data on aquatic life through the markets. This licensing will allow DLNR to improve the verification of dealer reports as well as reported sales of commercial fishers.

Your Committee notes the value of clarifying the applicability of this dealers license to all aquatic life, including aquarium fish, and in providing flexibility to the DLNR in developing these licenses, reports, fees and exemptions.

Therefore, your Committee amended the bill by adding provisions:

- 1) Allowing DLNR to require a license of any person to export any marine life taken in the jurisdiction of the State for commercial purposes;
- 2) Authorizing DLNR to require any term or condition of these licenses including but not limited to reports, fees and exemptions.
- 3) Requiring DLNR to implement this section through Chapter 91; and
- 4) Requiring that those commercial marine dealers that buy aquarium fish give a receipt to the seller that includes information specifying the number and species of the aquarium fish obtained.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1599, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1599, S.D. 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Goodenow, Meyer and Thielen.

SCRep. 1163 Health on S.B. No. 138

The purpose of this bill is to:

- (1) Give consumers a greater choice of mental health treatment providers;
- (2) Collaborate in the provision of mental health and substance abuse services; and
- (3) Provide access and reimbursement to health care providers qualified to render such services,

by allowing mental health and alcohol and drug abuse treatment insurance benefits to include coverage for treatment by advanced practice registered nurses recognized by the state.

The Hawaii Nurses' Association, the National Association of Social Workers, the Mental Health Association of Hawaii, the Mental Health Community Coalition, and several concerned individuals submitted testimony in support of this measure. Your Committee received comments from the Department of Health.

Your Committee finds that in mental health treatment, advanced practice nurses have been working in a team with social workers, psychiatrists, and psychologists in providing mental health treatment. There are approximately 35-40 psychiatric clinical nurse specialists currently available to provide mental health and substance abuse services. In addition, each year there are between six to eight psychiatric clinical nurse specialist graduates from the University of Hawaii at Manoa School of Nursing.

Your Committee further finds that it has been well demonstrated in practice that maximizing the flexibility of delivery of mental health and substance abuse services provided to clients improves effectiveness and access, and lowers the costs of the services. This Act will increase patient accessibility to much-needed mental health and substance abuse treatment, especially in rural and remote areas of the State.

Your Committee has amended this measure by:

- (1) Clarifying that osteopaths are licensed physicians by including reference to Chapter 460, Hawaii Revised Statutes, wherever there is a reference to licensed physicians; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 138, S.D. 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1164 Health on S.B. No. 656

The purpose of this bill is to give consumers a greater choice of mental health treatment providers by allowing mental health and alcohol and drug abuse treatment insurance benefits to include coverage for treatment by licensed social workers.

The Hawaii Nurses' Association, the National Association of Social Workers, Catholic Charities, the Mental Health Community Coalition, and several individuals submitted testimony in support of this measure. Your Committee received comments from the Department of Health.

Your Committee finds that the addition of licensed social workers to the list of professionals who may provide insured benefits gives the consumer a greater choice of mental health treatment options. This is particularly important in Hawaii's rural areas where there is a large unmet need.

Your Committee further finds that if more providers were available, more readily available early treatment for individuals with mental health problems would prevent costly treatment of that problem reaching a crisis situation.

Your Committee has amended this measure by:

- (1) Clarifying that osteopaths are licensed physicians by including reference to Chapter 460, Hawaii Revised Statutes, wherever there is a reference to licensed physicians; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 656, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 656, S.D. 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1165 Human Services and Housing on S.B. No. 1554

The purpose of this bill is to allow the Hawaii Housing Authority (HHA) more flexibility in handling appeals by allowing the HHA to delegate appeals hearing on public housing evictions and termination of leases to a hearings officer, the executive director, or an appeals board.

The Hawaii Housing Authority submitted testimony in support of this measure. Your Committee received opposing testimony and suggested recommendations from the Legal Aid Society of Hawaii.

Your Committee finds that under the present process, HHA faces a backlog resulting in delays in the eviction process from four months to eight to ten months. Your Committee seeks to expedite the hearing appeals process while maintaining the resident's rights to due process.

This bill is similar to H.B. 1723, HD 1, which was heard by your Committee on Human Services and Housing. Your Committee made amendments to conform this bill to H.B. 1723, HD 1 by:

- (1) Designating the HHA Commission as one of the bodies to hear and decide on appeals; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1554, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1554, S.D. 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Santiago and Whalen.

SCRep. 1166 Human Services and Housing on S.B. No. 1474

The purpose of this bill is to require prudent and the most effective use of all State resources, especially given the State's current financial constraints, by transferring \$6,000,000 from the Homes Revolving Fund to the General Fund in fiscal years 1997-1998 and 1998-1999.

The Department of Budget and Finance submitted testimony in support of this measure. Your Committee received testimony in opposition of this measure from the Affordable Housing and Homeless Alliance, the American Association of Retired Persons, and two concerned individuals.

Your Committee finds that housing is a basic need for citizens to survive. If you don't have a place of safety and shelter, it makes it all the more difficult to manage yourself and to be stable enough to find a job, a great concern of our welfare system. Without employment, rent is unaffordable.

Your Committee further finds that inadequate housing adds to the cycle of welfare and disempowers people. Affordable housing issues are closely related to the welfare of our society and human services. This legislative body has an opportunity to prevent homelessness and to move closer to ending Hawaii's cycle of welfare.

Your Committee has amended this measure by:

- (1) Appropriating \$6,000,000 for fiscal year 1997-1998 to be expended by the Department of Human Services for the General Assistance Program; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1474, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1474, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Santiago and Whalen.

SCRep. 1167 Economic Development and Business Concerns on S.B. No. 633

The purpose of this bill is to authorize, for a three-year period, the Kauai Planning Commission to:

- (1) Permit the establishment of bed and breakfast operations; and
- (2) Grant retroactive approvals to bed and breakfast operations;

on nonprime agricultural lands that are fifteen acres or less in size, on a case-by-case basis.

Your Committee received testimony in support of this bill with amendments from the Office of Planning, the Department of Health, and the Poipu Beach Resort Association. The Sierra Club submitted testimony in opposition to this bill.

Upon consideration, your Committee has amended this bill by:

- (1) Changing the land applicability requirement of bed and breakfast operations from "nonprime agricultural lands that are fifteen acres or less in size" to "lands designated as agricultural";
- (2) Deleting the case-by-case basis review requirement of the planning commissions permitting the establishment of bed and breakfast operations;
- (3) Specifying that planning commissions may grant retroactive approvals to all bed and breakfast operations on lands designated for agricultural uses prior to the effective date of this bill;
- (4) Requiring that retroactive approvals be authorized by the appropriate planning commission on a case-by-case basis; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee recognizes that allowing bed and breakfast operations on agricultural lands will hasten the recovery of Kauai's crippled economy caused by Hurricane Iniki, and also provide visitors with alternative accommodations while hurricane-damaged hotels are under construction and repair.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 633, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 633, SD 2, HD 1, and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee.

SCRep. 1168 Economic Development and Business Concerns on S.B. No. 843

The purpose of this bill is to provide a small business tax credit against net income tax liability for the guaranty fee paid pursuant to obtaining U.S. Small Business Administration (SBA) guaranteed financing.

Supporting testimony was submitted by the SBA and the Mayor of Kauai County. Comments were submitted by the Tax Foundation of Hawaii. Opposing testimony was submitted by the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee has amended this bill to:

- (1) Specify the amount of the tax credit to be not more than \$4,000 in any one taxable year; and
- (2) Make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 843, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 843, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1169 Economic Development and Business Concerns on S.B. No. 1951

The purpose of this bill is to encourage business opportunities in the State by repealing the sunset date of the General Excise Tax (GET) exemption for stock and commodities exchanges, which is set to expire on June 30, 2000.

The Department of Commerce and Consumer Affairs submitted testimony in support of the bill. Comments were submitted by the Department of Business, Economic Development, and Tourism.

Your Committee recognizes the need to encourage and support the development of new and diverse types of technologies as a means of generating business ventures in Hawaii. One area that shows particular promise is the film industry. Your Committee believes that providing financial incentives in this area will help attract more filming and production opportunities to the State.

Upon careful consideration, your Committee has amended this bill by:

- (1) Establishing an income tax credit for costs incurred in the State in the production of motion picture or television films; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1951, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1951, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1170 Ocean Recreation and Marine Resources and Water and Land Use on H.R. No. 21

The purpose of this resolution is to encourage the Department of Land and Natural Resources (DLNR) to establish cooperative agreements with county agencies to:

- 1) Manage and enforce construction of structures in the shoreline areas; and
- 2) Develop and encourage effective means in controlling erosion and protecting state beach lands.

Testimony in support of this measure was received from DLNR; Department of Business, Economic Development and Tourism; the County of Maui, Planning Department; and the County of Kauai, Planning Department.

Your Committees find that the DLNR in partnership with the CZM program and the counties are responsible and willing to control erosion, control structures in the shoreline area and to develop and encourage innovative means for protecting beaches. Therefore, your Committees passed this measure unamended.

As affirmed by the records of votes of the members of your Committees on Ocean Recreation and Marine Resources and Water and Land Use that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 21 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Meyer, Takamine and Thielen.

SCRep. 1171 Water and Land Use and Ocean Recreation and Marine Resources on H.C.R. No. 63

The purpose of this concurrent resolution is to encourage the Department of Land and Natural Resources (DLNR) to establish cooperative agreements with county agencies to:

- 1) Manage and enforce construction of structures in the shoreline areas; and
- 2) Develop and encourage effective means in controlling erosion and protecting state beach lands.

Testimony in support of this measure was received from DLNR; Department of Business, Economic Development and Tourism; the County of Maui, Planning Department; and the County of Kauai, Planning Department.

Your Committees find that the DLNR in partnership with the CZM program and the counties are responsible and willing to control erosion, control structures in the shoreline area and to develop and encourage innovative means for protecting beaches. Therefore, your Committees passed this measure unamended.

As affirmed by the records of votes of the members of your Committees on Water and Land Use and Ocean Recreation and Marine Resources that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 63 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Goodenow, Meyer, Takamine and Thielen.

SCRep. 1172 Ocean Recreation and Marine Resources on H.C.R. No. 41

The purpose of this concurrent resolution is to provide for a financial audit of small boat harbors in the counties of Maui and Hawaii, particularly those of Lahaina and Honokohau.

Your Committee finds it is most important to have accurate financial data on all small boat harbors in the State to improve their management. This is especially true for those facilities that have expressed an interest in the community-based management option, including Lahaina, Honokohau and Ala Wai small boat harbors.

Testimony was received from the Department of Land and Natural Resources in support and deferring to the Office of the Auditor as to their determination of the impact this task may have on the auditor's project workload and budgetary constraints. Testimony was also received from concerned individuals from the Ala Wai Boat Harbor asking that the Ala Wai be included in the audit. Many private individuals from the Honokohau Harbor expressed their support for this measure.

Your Committee has therefore amended the bill to include the Ala Wai small boat harbor, and updating the section regarding legislation for establishing a community-based management pilot project for one or more small boat harbors in the State.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 41, as amended herein, and recommends that it be referred to the Committee on Legislative Management, in the form attached hereto as H.C.R. No. 41, HD 1.

Signed by all members of the Committees except Representatives Goodenow, Meyer and Thielen.

SCRep. 1173 Health on H.C.R. No. 49

The purpose of this concurrent resolution is to ensure that patients receiving occupational therapy are being treated by competent therapists by requesting the Auditor to perform a sunrise review of the regulation of occupational therapy practitioners.

The American Occupational Therapy Association, Straub Clinic and Hospital, the American Association of Retired Persons, the Occupational Therapy Association of Hawaii, and seven concerned individuals submitted testimony in support of this measure.

At present, there is no formal mechanism in place to substantiate completion of education and training requirements, absence of criminal wrongdoing, or disciplinary action from other states. Your Committee believes that licensure would formalize the requirements and procedures for those who provide occupational therapy services, and would provide a local means of addressing consumer complaints and professional misconduct.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 49 and recommends that it be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 1174 Economic Development and Business Concerns on H.R. No. 28

The purpose of this resolution is to establish an Advisory Council on United States Relations With Asia and the Pacific (Advisory Council).

Testimony in support of this resolution was submitted by the University of Hawaii.

Your Committee recognizes that although East Asia has become the focus of world power, most Americans are unaware of its maturing politics, revival of intrinsic culture, swelling of national pride, and expansion of military power. Most Americans also do not understand the impact of these recent developments on the prosperity and security of the United States in the Twenty-First Century. Your Committee further recognizes that Hawaii, because of its history, geography, and ethnic heritage, is in an ideal position to share the importance of events in Asia with Americans.

Your Committee has amended this resolution by:

- (1) Amending the title of the measure to reflect proper drafting style and form, and to read: "REQUESTING THE ESTABLISHMENT OF AN ADVISORY COUNCIL ON UNITED STATES RELATIONS WITH ASIA AND THE PACIFIC";
- (2) Adding the President of the Filipino Chamber of Commerce to the list of Advisory Council members;
- (3) Making the chairpersons of the appropriate House and Senate standing committees to serve as members of the Advisory Council, instead of the two referenced committees; and
- (4) Making other technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 28, HD 1.

Signed by all members of the Committee.

SCRep. 1175 Economic Development and Business Concerns on H.C.R. No. 28

The purpose of this concurrent resolution is to establish an Advisory Council on United States Relations With Asia and the Pacific (Advisory Council).

Testimony in support of this concurrent resolution was submitted by the University of Hawaii.

Your Committee recognizes that although East Asia has become the focus of world power, most Americans are unaware of its maturing politics, revival of intrinsic culture, swelling of national pride, and expansion of military power. Most Americans also do not understand the impact of these recent developments on the prosperity and security of the United States in the Twenty-First Century. Your Committee further recognizes that Hawaii, because of its history, geography, and ethnic heritage, is in an ideal position to share the importance of events in Asia with Americans.

Your Committee has amended this concurrent resolution by:

- (1) Amending the title of the measure to reflect proper drafting style and form, and to read: "REQUESTING THE ESTABLISHMENT OF AN ADVISORY COUNCIL ON UNITED STATES RELATIONS WITH ASIA AND THE PACIFIC";
- (2) Adding the President of the Filipino Chamber of Commerce to the list of Advisory Council members;
- (3) Making the chairpersons of the appropriate House and Senate standing committees to serve as members of the Advisory Council, instead of the two referenced committees; and
- (4) Making other technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 28, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 28, HD 1.

Signed by all members of the Committee.

SCRep. 1176 Economic Development and Business Concerns on S.B. No. 208

The purpose of this bill is to exempt certain computer software from the General Excise Tax (GET) for a five-year period by updating the definition of "computer software" and including computer software sales within the State.

Your Committee received supporting testimony from the High Tech Development Corporation, several high technology and computer-related companies, and an interested individual. Comments on this bill were submitted by the Department of Taxation, the Tax Foundation of Hawaii, and the Director of the University of Hawaii at Hilo Small Business Development Center.

Your Committee recognizes that computer software is a highly desirable growth industry and necessary for diversifying the economy. Your Committee further recognizes that the high cost of living, the high cost of land and resulting rents, and high taxes are disincentives to companies who wish to set up their businesses in Hawaii and force companies who have set up their businesses in Hawaii to relocate elsewhere. To encourage the growth of the computer software industry in this State, your Committee believes that providing tax incentives are necessary.

Accordingly, your Committee has amended this bill by incorporating the language of S.B. No. 208 into this bill, to:

- (1) Provide an income tax credit for reinvestment for computer software companies for a five-year period;
- (2) Repeal the five-year sunset period in which certain computer software may be exempted from the GET;
- (3) Specify that the income tax credit applies to taxable years beginning after December 31, 1997; and
- (4) Make technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 208, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 208, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takai and Aiona.

SCRep. 1177 Transportation on S.B. No. 248

The purpose of this bill is to amend section 264-1, Hawaii Revised Statutes, to require due and diligent search of an owner of record before a highway or trail is deemed surrendered to public use.

Your Committee finds that many highways and trails are unusable and dangerous as a result of abandonment. The situation becomes a larger problem when the owners of the roads and trails are not known. It is to the benefit of the public's safety and the environment that clear procedures are in place to determine ownership and responsibility of the upkeep for these highways and trails.

This bill proposes to amend section 264-1, Hawaii Revised Statutes, to provide that surrender of public highways or trails is deemed to have occurred if no owner of record can be found after an appropriate title search has been performed. The appropriate state department, board or county department will receive ownership of the respective highways or trails.

Testimony in favor of this measure was heard from the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1178 Tourism on S.B. No. 852

The purpose of this bill is to create a time share citation special fund and establish a means for enforcement of existing time share laws.

Your Committee received testimony as follows:

1. Department of Commerce and Consumer Affairs; in support; and
2. Dwyer, Imanaka, Schraff, Kudo, Meyer and Fujimoto; McCorrison, Miho, Miller and Mukai; in opposition.

Your Committee finds that timeshare owners have many of the attributes of hotel guests, but most of them do not pay the transient accommodations tax. The establishment of an accommodation fee on timeshare units will help to equalize the financial burden of tourism promotion and maintenance of infrastructure.

The annual accommodation fee, as proposed in this bill, would be much less burdensome on time share owners than a daily transient occupancy tax.

Your Committee revised the bill by removing the substantive contents and inserting the following provisions:

1. Establishing an annual accommodation fee on time share units in an amount equal to the general excise tax on the maintenance fee assessment paid by the owner;
2. Exempting owners from the accommodation fee if the transient accommodations tax was paid on the unit the same year, provided that if the amount of transient accommodations tax was less, the owner shall pay the difference between the accommodation fee and the transient accommodations tax amount; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 852, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 852, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.
(Representative McDermott voted no.)

SCRep. 1179 Ocean Recreation and Marine Resources on S.B. No. 1597

The purpose of this bill is to establish administrative or civil penalties in chapter 187A, Hawaii Revised Statutes.

Testimony in support of this bill was received from the Department of Land and Natural Resources (DLNR) and Sierra Club, Hawaii Chapter. Opposing testimony was received from Boats/Hawaii, Inc.

Your Committee finds there is concern about the amounts set for fines and the appeal provisions in this measure. Therefore, your Committee suggests that when this bill is debated in your Committee on Judiciary that the amounts of the fines, as well as the appeal process, are evaluated.

Your Committee also notes that this measure does not include the provision of HB1736 that provides for civil fines against people who take, break or damage rock or coral in violation of this section.

To provide for strengthened capability for DLNR to enforce aquatic resource laws and rules, your Committee amended this bill by inserting the original language of HB1736 as proposed by the administration.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1597, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1597, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morihara and Meyer.
(Representative Thielen voted no.)

SCRep. 1180 Ocean Recreation and Marine Resources on S.B. No. 1601

The purpose of this bill is to clarify and increase penalties for violations of statutes and regulations under the jurisdiction of the Department of Land and Natural Resources (DLNR).

Your Committee agrees with the need to clarify that intentional misrepresentation of reports or receipts should be considered a violation and penalties must be set to deter such violations. In addition, other penalty provisions in the fishery statutes need to be amended to consolidate and standardize them for clarity and accuracy to enable DLNR to carry

out its responsibilities. Your Committee also finds that DLNR need to be able to dispose of seized items; and the use of poisons, explosives and electrofishing require more severe penalties.

Testimony in support of this measure was received from DLNR. Additional testimony in support with reservations was also received from Boats/Hawaii, Inc.

Your Committee has amended this measure by inserting the language of HB1740 HD1 in order to make technical corrections and changes in style.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1601, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1601, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Morihara and Meyer.

SCRep. 1181 Ocean Recreation and Marine Resources on S.B. No. 1889

The purpose of this bill is to create a 5-year pilot program within the Department of Land and Natural Resources for administrative purposes to convert the Ala Wai Marina into an independent, privately managed marina in accordance with an operating agreement to be entered into with the department.

Your Committee finds that the small boat harbors in the State are, for the most part, poorly managed. Many boaters are dissatisfied with the boating program and are frustrated with the lack of response to community-based efforts to improve small boat harbor management. Your Committee also recognizes that Hawaii has the potential to be a world class boating and ocean recreation state, and by working with the community of harbor users, the State can most effectively achieve this vision.

Testimony in support of this bill was received from many individuals and companies from throughout the State stating that community based management of a small boat harbors can work effectively, and is a positive step toward improving the existing harbor conditions. Many individuals emphasized that other small boat harbors should be included in the measure besides Ala Wai and that HB1547 HD2 addressed their concerns.

Testimony in opposition to this bill was received from DLNR and Hawaii Government Employees Association noting that HB1547 HD2 addressed most of their concerns. Westrec Marina Management, Inc. also submitted opposing testimony.

Upon consideration of these views, your Committee amended this bill by inserting the language of HB1547 HD2 which incorporates many of the provisions suggested by the DLNR and other testifiers. The new language provides for one or more small boat harbors to be selected for community-based management, not only specifically the Ala Wai small boat harbor. Also included in HB157 HD2 is a provision to ensure that the harbor selected for community-based management is continuing to contribute to the operating costs of those facilities in the statewide system that do not support themselves.

Three amendments were made to the language taken from HB1547 HD2 and inserted into this measure. They are as follows:

- 1) Clarify that the Office of Hawaiian Affairs is to receive 20% of the revenues paid to the state from revenues generated on ceded land;
- 2) Specify that a majority of the votes cast are necessary for the marina board to prepare and submit a proposal for community-based management; and
- 3) Require that re-assignment of public employees be done in consultation with their union.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1889, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1889, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara and Meyer.

SCRep. 1182 Health on S.B. No. 165

The purpose of this bill is to promote the donation of pharmaceuticals and health care supplies by providing protection from liability for charitable, religious, and nonprofit organizations that distribute these donated supplies to needy persons.

The Healthcare Association of Hawaii, the Hawaii State Primary Care Association, and the Hemophilia Foundation of Hawaii submitted testimony in support of this measure. The Department of Health and the Hawaii Academy of Physician Assistants submitted testimony in support of this measure with their recommended amendments. Your Committee received comments from the Consumer Lawyers of Hawaii.

Your Committee finds that there is a significant number of medically needy persons in Hawaii who do not have access to required medications, including the uninsured, others whose health insurance does not cover pharmaceuticals or health care supplies, or those who simply are unable to afford the cost of these items. Those individuals who do have access to physician visits and diagnostic tests may not have access to the drugs and supplies needed to treat their illness or injury. Obviously, diagnosis is ineffective without treatment.

Your Committee further finds that this bill would enhance the health care of needy individuals, provided that the donated products are safe, effective, and properly labeled when used or administered. In addition, this bill will not in any way restrict the ability of the State to regulate, inspect or, if necessary, prohibit the distribution of donated pharmaceuticals, where necessary, to protect consumers.

Your Committee has amended this measure by:

- (1) Clarifying that pharmaceuticals and health care supplies are donated items given to needy persons;
- (2) Clarifying that organizations involved with distributing prescription drugs to persons other than a consumer or patient are included in the definition of "wholesale distribution" as defined by section 328-112, Hawaii Revised Statutes;
- (3) Stating that the negligent prescription of pharmaceuticals or health care supplies are not exempted from liability, thereby allowing the consumer or patient protection from, and recourse against, the negligent prescription of such pharmaceuticals and health care supplies; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 165, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 165, SD 2, HD 1, and be referred to the Committees on Judiciary and Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1183 Judiciary on S.B. No. 986

The purpose of this bill, as received by your Committee on Judiciary, is to clarify the laws relating to nonconsensual common law liens and make the law retroactive to all liens whenever executed or recorded.

Your Committee received supporting testimony on this bill from the Chairperson of the Board of Land and Natural Resources, the Attorney General, the Mortgage Bankers Association, the Hawaii Association of Realtors, and from practicing attorneys.

Your Committee finds that this bill remedies the growing problem of the filing of spurious documents at the Bureau of Conveyances which have the effect of encumbering property without any basis in fact. Last year, government officials and employees were the targets of such filings. Unfortunately, both the kinds and targets of spurious filings have widened so that greater protection now is needed.

This bill has been amended by:

- (1) Increasing the award to a prevailing party under this chapter to three times any actual damages or \$25,000, whichever is greater; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 986, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1184 Economic Development and Business Concerns and Tourism on H.R. No. 41

The purpose of this resolution is to request that steps be taken to strengthen the future of the United States Institute of Peace (Institute) by supporting its relocation to Hawaii.

Specifically, the resolution proposes to do this by:

- (1) Requesting the Department of Business, Economic Development, and Tourism to:
 - (A) Explore the feasibility of relocating the Institute to Hawaii; and
 - (B) Submit a status report to the Legislature on the feasibility of relocating the Institute to Hawaii;
 and
- (2) Urging Hawaii's congressional delegation in Washington, D.C., to support the relocation of the Institute to Hawaii.

Comments were submitted by an interested citizen.

Your Committees recognize that the Institute, which was founded through the efforts of the late United States Senator Spark M. Matsunaga, has become a distinguished world center for education, training, research, and public information

on promoting international peace and that the demise of this center would be detrimental to national and state interest. Your Committees further recognize that relocation of the Institute to Hawaii would be beneficial to Hawaii's economic, social, and cultural development.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 41 and recommend its adoption.

Signed by all members of the Committees except Representatives Chang and White.

SCRep. 1185 Economic Development and Business Concerns and Tourism on H.C.R. No. 44

The purpose of this concurrent resolution is to request that steps be taken to strengthen the future of the United States Institute of Peace (Institute) by supporting its relocation to Hawaii.

Specifically, the concurrent resolution proposes to do this by:

- (1) Requesting the Department of Business, Economic Development, and Tourism to:
 - (A) Explore the feasibility of relocating the Institute to Hawaii; and
 - (B) Submit a status report to the Legislature on the feasibility of relocating the Institute to Hawaii;

and
- (2) Urging Hawaii's congressional delegation in Washington, D.C., to support the relocation of the Institute to Hawaii.

Comments were submitted by an interested citizen.

Your Committees recognize that the Institute, which was founded through the efforts of the late United States Senator Spark M. Matsunaga, has become a distinguished world center for education, training, research, and public information on promoting international peace and that the demise of this center would be detrimental to national and state interest. Your Committees further recognize that relocation of the Institute to Hawaii would be beneficial to Hawaii's economic, social, and cultural development.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Tourism that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 44 and recommend its adoption.

Signed by all members of the Committees except Representatives Chang and White.

SCRep. 1186 Judiciary on S.B. No. 1309

The purpose of this bill is to:

- (1) Compensate state residents who are victims of terroristic acts;
- (2) Allow state residents to receive compensation if not fully compensated by the state in which a crime occurred; and
- (3) Disallow claims made by convicted persons incarcerated in a correctional facility.

Your Committee received testimony from the Criminal Injuries Compensation Commission and the Sex Abuse Treatment Center in support of the bill. The Commission also suggested amendments which would comply with federal law and allow the State to be eligible for compensation grants.

The Office of the Public Defender commented on the bill and suggested that the exception relating to incarcerated persons be deleted.

Your Committee concurs with the language suggested by the Commission and has amended the bill to comply with federal eligibility conditions.

Your Committee has also made technical nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1309, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1309, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1187 Judiciary on S.B. No. 941

The purpose of this bill as received is to propose a constitutional amendment to establish a "rainy day fund" to be known as the budget stabilization fund.

Your Committee received testimony from the Department of Budget and Finance in support of the measure. The Department, however, strongly recommended that with the creation of the stabilization fund, that the current excess revenue tax refund provision be repealed.

Your Committee concurs with the suggestion of the Department and has amended the bill to reflect their recommendation.

Your Committee has also made technical nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 941, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 941, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Menor and Pendleton.
(Representatives Thielen and Whalen voted no.)

SCRep. 1188 Judiciary on S.B. No. 286

The purpose of this bill, as received, is to:

- (1) Implement the so called Truth-in-Sentencing initiative by mandating that all felons serve at least eighty five percent of their prison sentences before being eligible for parole or other release from confinement;
- (2) Give the court a range from which to select an appropriate sentence; and
- (3) Adopt various amendments to the repeat offender statutes and other provisions in the current sentencing laws.

Your Committee received testimony from the Mayor of the City and County of Honolulu, the Attorney General, the Prosecutors and Police Chiefs of the City and County of Honolulu and the Counties of Hawaii, Kauai, and Maui, the Department of Public Safety, and various other organizations and individuals in support of the intent or purpose of the bill.

Your Committee also received testimony from the Office of the Public Defender questioning the need for such legislation and suggesting that the current system of sentencing and incarceration does not require the changes set forth in the proposed Truth-in-Sentencing package.

Your Committee finds that the public, concerned for its safety, is demanding tougher sentences, especially for violent and repeat offenders. Early release programs are increasingly being implemented in response to prison overcrowding, court ordered population ceilings, and other population management control practices. The experience of the State even includes sending certain inmates to out-of-state facilities.

This need for additional confinement space is unlikely to abate as the Department of Public Safety already projects the need for 1,000 additional beds by the year 2004. They are also saying that if truth-in-sentencing laws are enacted and the current rate of incarceration is sustained, the State should immediately begin the construction of a 1,500 bed male facility and a 500 bed female facility.

Your Committee has studied the federal Violent Crime Control and Law Enforcement Act which contains the Violent Offender Incarceration and Truth in Sentencing Incentive Grants Program. The primary purpose of this program is to provide funds to states to build or expand correctional facilities to increase the bed capacity for the confinement of violent criminals.

States are eligible for these funds if they can demonstrate that they have implemented truth-in-sentencing laws which require that persons convicted of violent crime serve not less than 85% of the sentence imposed.

Your Committee finds that the bill, as received, goes far beyond the parameters set forth by the Federal legislation. The bill would subject all felons to the 85% benchmark, and would adopt arbitrary changes throughout existing sentencing laws.

Your Committee is cautious when it comes to the wholesale alteration of existing law. Your Committee, however, is not adverse to ensuring that repeat and violent felons have adequate facilities in which to serve appropriate prison terms. In this regard, your Committee fully concurs with the intent of the Federal truth-in-sentencing program.

Your Committee has therefore amended the bill to reflect the purpose of the Federal legislation by:

- (1) Requiring that violent felons serve 85% of their sentence of imprisonment before being eligible for parole;
- (2) Making changes to the sentencing law to ensure that repeat offenders, felons who use handguns, and felons who prey upon the elderly, disabled, or very young, serve prison terms appropriate to the heinous status of their offenses;
- (3) Increasing the range in which a judge may sentence a felon from 10-20 years for a class A felony and from 5-10 years for a class B felony, to 12-20 years and 7-10 years, respectively;
- (4) Keeping all other sentencing provisions of the current law intact, but subject to the requirements of truth-in-sentencing; and

- (5) Making technical, nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 286, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 286, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Menor and Thielen.

SCRep. 1189 Education on S.B. No. 1628

The purpose of this bill is to authorize the Department of Education to rehire teachers who formerly retired so that they may teach in shortage areas.

The Department of Education and an individual submitted testimony in support of the bill. The Hawaii State Teachers Association concurred with the intent of the bill on the condition that retired teachers are subject to collective bargaining. The Hawaii Congress of Parents, Teachers, and Students submitted comments on the bill.

Upon further consideration, your Committee has amended the bill by:

- (1) Excluding "hard to staff schools" from the provisions of the bill;
- (2) Removing restrictions on the conditions of employment, and making the conditions of employment subject to collective bargaining; and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1628, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1628, SD 2, HD 1, and be referred to the Committee on Labor and Public Employment.

Signed by all members of the Committee except Representatives Arakaki and Yonamine.
(Representative McDermott voted no.)

SCRep. 1190 Public Safety and Military Affairs on S.B. No. 45

The purpose of this bill is to remove the acreage requirements imposed on the Department of Land and Natural Resources for land used to establish veterans cemeteries.

The Office of Veterans Services and a member of the public testified in support of this bill. The Department of Land and Natural Resources had no objections to the measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Tom.

SCRep. 1191 Higher Education on S.B. No. 1636

The purpose of this bill is to repeal the cap on the number of members who may be appointed to the East West Center (EWC) international advisory board.

The EWC and the University of Hawaii submitted testimony in support of the measure.

Your Committee notes that EWC programs serve more than forty Pacific and Asian nations. However, in recent years, federal funding of the EWC has been substantially reduced, requiring that alternative sources of funding be sought. Your Committee finds that the removal of the restriction limiting board membership to a maximum of eleven will permit greater representation by more EWC nations and lead to increased participation in EWC fundraising efforts and activities.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1636, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1192 Transportation on S.B. No. 193

The purpose of this bill is to require persons seeking motorcycle liability coverage to have enrolled in and passed a motorcycle education course.

Your Committee finds that currently, motorcycle safety courses available through the Armed Forces are not readily recognized by the Department of Transportation, even though the courses are similar to state-recognized courses available

through the University of Hawaii. This measure will further motorcycle education in the State, which may decrease the number of traffic fatalities and accidents.

Testimony in favor of this measure was heard from the Department of Transportation, Department of Commerce and Consumer Affairs, Carr's Insurance Agency, Street Bikers United and several private citizens. Testimony in opposition of this measure was heard from a certified chief instructor of the Motorcycle Safety Foundation and another private citizen.

This bill proposes to allow a person seeking motorcycle insurance liability coverage, required by law, to have enrolled in and passed a motorcycle education course. Further, the course must meet the Motorcycle Safety Foundation standards and be approved by the Department of Transportation or any branch of the armed services of the United States.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 193 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Case, Suzuki and Marumoto.

SCRep. 1193 Transportation on S.B. No. 298

The purpose of this bill is to clarify the language in Section 708-836(1) of the Hawaii Revised Statutes to eliminate the defense of implied consent which allows persons arrested for automobile theft to escape prosecution.

Your Committee finds that under the current statute, prosecutors must prove that the driver of a stolen vehicle "intentionally" operated the vehicle without consent from its owner. A problem often arises when motorists leave their keys in the ignitions and two thieves steal a vehicle. In such cases, the driver may claim the defense of implied consent and argue that the other thief had consent from the vehicle's owner. This creates a reasonable doubt that the driver "intentionally" operated the vehicle without consent and that person may escape prosecution for the theft.

Testimony in favor of this measure was heard from City and County of Honolulu with suggested amendments to restore the original language of the bill.

Your Committee has amended this bill by deleting its contents and substituting the provisions from H.B. 1253 HD 1 which will eliminate the defense of implied consent and assist in the prosecution of automobile theft by including the language, "knowingly, or recklessly" in section 708-836(1) of the Hawaii Revised Statutes. The revision lowers the state of mind element needed to fulfill the requirements of this offense and will lead to more convictions and a reduction in automobile theft.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 298, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 298, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1194 Transportation on S.B. No. 300

The purpose of this bill, as received by your Committee on Transportation, is to reduce incidents of motor vehicles and their component parts from being stolen.

Your Committee finds that motor vehicles and their component parts are often stolen, identification numbers removed or altered, and then the component parts are sold to repair shops, used parts shops, and "chop shops." Your Committee further finds that the police are powerless to inspect shops which they suspect may be selling component parts of vehicles illegally.

Testimony was heard from the Police Department, City and County of Honolulu, which testified that its support was dependent on providing an inspection process by which law enforcement officers could check for stolen parts at vehicle repair shops.

Your Committee has amended Senate Bill No. 300 SD1 by deleting its contents and substituting the provisions of House Bill No. 1255 HD1, which will permit law enforcement officers to check for stolen vehicles and their component parts.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 300, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 300, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case, Suzuki and Marumoto.

SCRep. 1195 Transportation on S.B. No. 382

The purpose of this bill, as received by your Committee on Transportation, is to allow the examiner of drivers to waive actual demonstration of the ability to operate a motorcycle or motor scooter upon showing proof that the person has completed the motorcycle education course.

Your Committee finds that the course approved by the Motorcycle Safety Foundation is very stringent, and that persons who complete the educational course are able to operate their vehicles properly, and they understand the safety requirements necessary to be responsible riders.

Testimonies in support of this bill were heard from the Department of Transportation, the City and County of Honolulu, the Motorcycle Safety Foundation, Street Bikers United, and several persons who own and ride motorcycles.

Your Committee has amended this bill by incorporating the recommendation of the Department of Transportation that the education course be approved by the director in accordance with Section 431:10G-104, Hawaii Revised Statutes, since the director also approves a course in accordance with another statute, Section 431:10G-201, Hawaii Revised Statutes. Your Committee has further amended this bill by indicating that the Motorcycle Safety Foundation recognizes, rather than approves, motorcycle and motor scooter education courses.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 382, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 382, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case, Suzuki and Marumoto.

SCRep. 1196 Transportation on S.B. No. 991

The purpose of this bill, as received by your Committee on Transportation, is to establish implied consent provisions relative to blood and urine testing for driving under the influence of drugs; and to provide penalties for persons suspected of being under the influence of drugs, but who refuse to be tested for possible drug usage.

Your Committee finds that many vehicle accidents result from driving under the influence of drugs. Your Committee further finds that although implied consent applies to driving under the influence of alcohol, it does not apply to driving under the influence of drugs. Without a penalty for refusal to give a urine or blood sample for testing to determine the presence of drugs, current laws against driving under the influence of drugs are difficult to enforce.

This bill will provide the necessary provision for establishing penalties for refusal to be tested for drug usage.

Testimonies in support of this bill were heard from the Department of Transportation, the City and County of Honolulu from the mayor's office the police department, and the prosecuting attorney's office, the Department of Health, Mothers Against Drunk Driving, Youth in Action, and a physician.

Your Committee has amended Senate Bill No. 991 by deleting its content and substituting the provisions of House Bill No. 22.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 991, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 991, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1197 Transportation on S.B. No. 1197

The purpose of this bill is to extend the duration of validity for a driver's license for certain groups and eliminate the current required license testing for renewal of a driver's license.

Your Committee finds that longer renewal periods for driver's licenses of certain age groups will serve to expedite licensing procedures without compromising public safety, and costs and workloads for the counties will be reduced. Additionally, accident statistics provide no evidence that the frequency of renewal testing bears any causal relationship to driving habits or accident rates.

This bill proposes to lengthen the driver's license expiration periods as follows:

- (1) For persons fifteen to seventeen years of age, from two years to four years;
- (2) For persons eighteen to seventy-one years of age, from four years to six years; and
- (3) For persons seventy-two years of age or older, from two years to four years.

Further, this measure raises the required age for a regular driver's license from seventeen to eighteen, but allows special licenses for individuals fifteen to seventeen. Finally, this measure only requires an individual to retake the licensing exam if the license has expired and has not been reactivated within one year of expiration.

Testimony in favor of this measure was heard from the Department of Transportation and the County of Honolulu.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case, Suzuki and Marumoto.

SCRep. 1198 Transportation on S.B. No. 1619

The purpose of this bill, as received by your Committee on Transportation, is to establish uniform penalties for unauthorized or improper uses of public and private parking spaces that are reserved for disabled persons.

Your Committee finds that the penalties for such violations, and the requirements for signage and markings, for disabled parking spaces, are inconsistent among the various state and county agencies and private property owners, and this causes confusion, both to users of the parking spaces and the general public.

This bill proposes fines not less than \$200 nor more than \$500 for violators who abuse the use of parking stalls reserved for disabled persons.

This bill clarifies the signage and markings that are to be placed to identify parking spaces which are reserved for disabled persons.

Testimonies in support of this bill were heard from the Department of Transportation, Commission on Persons with Disabilities, Hawaii Centers for Independent Living, and Handicapped Advocacy Works of Kona.

Your Committee has amended Senate Bill No. 1619 by deleting its content and substituting the provisions of House Bill No. 19 HD 1 which is more comprehensive.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1619, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1619, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1199 Transportation on S.B. No. 1621

The purpose of this bill, as referred to your Committee on Transportation, is to expedite the serving of summons and citations for violations relating to High Occupancy Vehicle (HOV) lanes.

Your Committee finds that Act 224, Session Laws of Hawaii (SLH) 1993, provided that summons or citations for illegal use of HOV lanes could be sent by certified or registered mail. Your Committee further finds that this provision was to expire on June 30, 1995, but was extended to June 30, 1997 by Act 25, SLH 1995. Your Committee agrees that continuance of this provision for serving summons and citations is desirable.

Your Committee further finds that there are times when the director of transportation should be able to authorize the use of HOV lanes regardless of the number of occupants in a vehicle.

This bill proposes to amend Act 25 by repealing the expiration date to make permanent the authority of the Honolulu Police to mail summons and citations to violators of HOV lanes.

It also authorizes the Director of Transportation to permit the use of HOV lanes regardless of the number of occupants when such use is determined to enhance public safety and improve traffic conditions.

Testimonies in favor of this bill were heard from the Department of Transportation, the Leeward Oahu Transportation Management Association, and the Chamber of Commerce of Hawaii.

Your Committee has amended Senate Bill No. 1621 by deleting its contents and substituting the provisions of House Bill No. 41 HD1.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1621, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1621, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1200 Transportation on S.B. No. 1668

The purpose of this bill is to broaden the director of transportation's and the counties' discretion for the application of restrictions regarding the prohibition of stopping, standing, and parking of vehicles.

Your Committee finds that the director of transportation and the counties are limited only to prohibiting the stopping, standing and parking of vehicles where parking is dangerous to those using the highway or where those vehicles would interfere with the free movement of traffic.

This bill proposes to allow broader justifications by the director of transportation and the counties to prohibit the stopping, standing, and parking of vehicles where they deem it necessary.

Testimony in favor of this measure was heard from the Department of Transportation.

Your Committee has amended this bill by deleting its contents and substituting the provisions from H.B. 2115 HD 1.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1668, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1668, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1201 Transportation on S.B. No. 870

The purpose of this bill is to prohibit the operation of a pickup truck with a passenger in the bed or load-carrying area if:

- (1) There is seating available in the cab of the vehicle;
- (2) The side racks of the vehicle are not securely attached and the tailboard or tailgate is not securely closed;
- (3) Every passenger in the bed or load-carrying area is not seated on the floor;
- (4) Any passenger is attempting to control unsecured cargo; and
- (5) The posted speed limit is 45 miles per hour or more, except in the case of an emergency, agricultural enterprise, business serving the public, or pursuant to the authority of the Department of Transportation.

This measure, as received by your Committee, also increases the existing \$25 fine to \$100 for each separate violation and increases the maximum gross vehicle weight rating requirement for pickup trucks to 11,000 pounds.

The Commission on Persons with Disabilities, the Hawaii Insurers Council, the Hawaii Nurses' Association, the Hawaii Medical Association, the Hawaii Academy of Family Physicians, Hotel Employees and Restaurant Employees Local 5 AFL-CIO, Healthy Mothers, Healthy Babies Coalition of Hawaii, and numerous concerned citizens supported this measure.

The Department of Transportation, the Department of Health, the Healthcare Association of Hawaii, Mothers Against Drunk Driving, and the Keiki Injury Prevention Coalition supported the intent of this measure.

While the Honolulu Police Department and the American Academy of Pediatrics, Hawaii Chapter, Inc., supported previous versions of this bill, they opposed S.B. No. 870, S.D. 2. Several individuals opposed this measure.

Your Committee finds that for the past five years, an average of three people were killed each year from riding in the back of pickup trucks in Hawaii. In 1996 alone, five people died and about 50 people were hospitalized from serious injuries resulting from accidents involving passengers riding in the back of pickup trucks.

Your Committee recognizes that these needless tragedies could have been prevented and action must be taken to prevent similar accidents from happening in the future.

Although it would be ideal to establish an across-the-board prohibition of passengers in the back of pickup trucks to ensure the public health and safety of Hawaii's people, such a prohibition may impose a severe financial hardship on certain individuals in rural areas who are dependent on pickup trucks to transport their families.

Additionally, the City and County of Honolulu is the only county offering its residents the option of using public transportation services. As a result, many individuals who do not live on the island of Oahu have no other means of transportation other than their pickup trucks. In consideration of these individuals, your Committee believes that the counties are in a better position to ascertain the degree of regulation that should be imposed on operators and passengers of pickup trucks.

Accordingly, your Committee has amended this bill by deleting its substance and inserting the substance of H.B. No. 88, HD 1, with additional amendments.

As amended, this measure:

- (1) Prohibits the operation of a pickup truck with any passenger in the bed or load-carrying area, except in the case of an emergency, agricultural enterprise, business serving the public, parade or other authorized exhibition, or pursuant to the authority of the Department of Transportation;
- (2) Does not apply to pickup trucks in a county with a population of less than 500,000, provided that a county with a population of less than 500,000 is not precluded from regulating the operation of pickup trucks in the respective county; and
- (3) Imposes a fine of \$500 for each separate violation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 870, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 870, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1202 Higher Education on S.B. No. 388

The purpose of this bill is to prohibit unaccredited institutions from issuing degrees.

The University of Hawaii, the Department of Commerce and Consumer Affairs (DCCA), Hawaii Pacific University, and the University of Phoenix submitted testimony in support of the bill. Greenwich University, the International University of Professional Studies, University of the Nations, and Pacific Western University submitted comments on the bill.

Your Committee finds that, unlike the laws of other states, Hawaii's laws allow unaccredited institutions to operate without regulation. As a result, Hawaii has the dubious distinction of being the foremost "diploma mill" state in the nation.

DCCA testified that virtually any person in any part of the world who has access to a laser printer and a checking account can issue degrees from Hawaii. As other states have strengthened their laws, unaccredited institutions have shifted their degree-granting authority to Hawaii. Typically, the move is purely a paper one since no faculty, classrooms, or students are physically relocated, if any exist. Furthermore, Hawaii's reputation as a diploma mill state diminishes the value of degrees from accredited educational institutions in Hawaii.

It is in Hawaii's interest to protect residents and others by eliminating diploma mills from the state. However, at the same time, Hawaii is the home for several unaccredited, yet credible, postsecondary institutions. These institutions provide quality educational programs through alternate, unconventional means. Due to their nontraditional format, these institutions may need an extended period of time to comply with accreditation standards that are largely traditional in nature.

While noble in intent, this bill, as received, takes an indirect approach. Since it uses existing statute, it prohibits unaccredited institutions from issuing degrees. A more straightforward approach would be to require degree-granting institutions to be accredited.

Upon further consideration, your Committee has amended the bill by deleting its substance and replacing it with the substance of H.B. No. 1860, HD 3, which was passed by the House of Representatives earlier in the session. H.B. No. 1860, HD 3, eliminates chapter 446E, Hawaii Revised Statutes, which addresses unaccredited institutions, and creates a new chapter requiring degree-granting institutions to be accredited. Exemptions are granted to allow qualified unaccredited institutions to issue degrees.

Your Committee has made further revisions to H.B. No. 1860, HD 3, as follows:

- (1) Prohibited degree-granting institutions from issuing law degrees or medical degrees without accreditation from the appropriate organization;
- (2) Established a five-year limit for qualified unaccredited institutions to issue degrees, after which they must become accredited; and
- (3) Made technical, nonsubstantive modifications for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 388, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 388, SD 2, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Morita, Santiago, Stegmaier, Yonamine and McDermott.

SCRep. 1203 Health on S.B. No. 835

The purpose of this bill is to extend current peer review protection to physicians who serve on peer review committees for managed care organizations such as health maintenance organizations (HMOs), preferred provider organizations (PPOs), and preferred provider networks (PPNs).

Testimony in support of this bill was received from the Hawaii Medical Association, the Hawaii Medical Service Association, and the Queen's Health Plans. No testimony in opposition to this bill was received.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee believes that the peer review activities of HMOs, PPOs, and PPNs should be afforded the same protection against discovery and liability which currently exist for such committees in hospitals, clinics, and group practices.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 835, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 835, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1204 Health on S.B. No. 1170

The purpose of this bill is to protect people who are mentally ill by amending the definition of "gravely disabled" related to the civil involuntary commitment criteria with the goal of facilitating medical treatment to gravely disabled patients who refuse treatment.

Supportive testimony was received from the Oahu Alliance for the Mentally Ill, the Big Island Alliance for the Mentally Ill, and an individual. The Department of Health, the Protection and Advocacy Agency of Hawaii, and several individuals submitted testimony in opposition to this measure. Comments were submitted by the Judiciary and the Mental Health Association in Hawaii.

Your Committee understands that when families have a loved one who is mentally ill, one of the most distressing dilemmas they face is what to do if their family member refuses to pursue treatment. Certainly, forcing treatment is the least desirable route since outcomes are better for everyone if a patient cooperates with their own treatment and rehabilitation. Nevertheless, your Committee recognizes that there are certain individuals with disorders who, at times, may lack judgment about their need for medical treatment.

Your Committee acknowledges that public mental health policy is a most complicated area of medicine and law, based on constitutional provisions and other federal requirements. However, your Committee believes that this bill will make important and desirable changes in the criteria for involuntary commitment.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 627, HD 1, which:

- (1) Expands the definition of "gravely disabled" relating to persons suffering mental disorders for purposes of involuntary commitment;
- (2) Establishes within the Department of Health an Interdisciplinary Task Force (Task Force) comprised of nine to eleven members, including persons with serious mental illnesses or their caregivers; and
- (3) Requires the Task Force to:
 - (A) Analyze the issues involved in facilitating medical treatment to "gravely disabled" patients;
 - (B) Study any constitutional problems of redefining "gravely disabled" persons as it relates to involuntary hospitalization;
 - (C) Recommend how "gravely disabled" persons will be serviced to avoid constitutional problems;
 - (D) Present a proposal for statutory changes regarding redefining "gravely disabled" persons; and
 - (E) Report its findings and recommendations, through proposed legislation, prior to the convening of the Regular Session of 1999.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1170, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1170, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Whalen.

SCRep. 1205 Health on S.B. No. 1560

The purpose of this bill is to allow for the electronic transmission of prescription information within the State.

Hawaii Medical Service Association, Kaiser Permanente Hawaii, and Longs Drugs Stores submitted testimony in support of this bill. Comments were submitted by the Department of Health and the Hawaii Pharmaceutical Association.

Your Committee recognizes that this bill would help physicians and pharmacists monitor the medication of patients, eliminate errors pharmacists make because of illegible prescriptions, make it more difficult to alter prescriptions, and reduce the cost of health care by increasing the efficiency of the drug prescription and dispensing process. However, your Committee has one concern with regard to the bill that restricts the ability of consumers to obtain their medication out-of-state. It is your Committee's belief that for financial, medically necessary, or other reasons, individuals need the option of filling their prescriptions out-of-state.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the provision that requires electronically transmitted prescriptions to be filled only within the State; and
- (2) Making a technical, nonsubstantive amendment to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1560, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1560, SD 1, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1206 Health on S.B. No. 1562

The purpose of this bill is to clarify the labeling and refilling requirements for a prescription drug that is issued to a consumer.

Kaiser Permanente Hawaii submitted testimony in support of this bill. The Hawaii Pharmaceutical Association submitted testimony in opposition to this bill. The Department of Health submitted comments on this bill.

Your Committee finds that this bill will help ensure that a consumer is provided with enough information to take a prescription drug as directed by a physician.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1562, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1562, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Pendleton and Whalen.

SCRep. 1207 Health on S.B. No. 927

The purpose of this bill is to reduce tobacco use by minors by increasing the tax on:

- (1) Cigarettes from 3.00 cents per cigarette to 5.50 cents per cigarette; and
- (2) Tobacco products, other than cigarettes, from forty to fifty percent of the wholesale price.

Supportive testimony was received from the Department of Health, the Department of Budget and Finance, the Department of Taxation, the American Cancer Society, the Hawaii Medical Association, the Hawaii Medical Service Association, the American Heart Association, the American Lung Association, and two individuals. The Tax Foundation of Hawaii and an individual submitted comments on this measure. The Tobacco Institute and the Hawaii Food Industry Association submitted testimony in opposition to this measure.

Your Committee is aware that smoking and exposure to environmental tobacco smoke are associated with the development of both lung cancer and heart disease as well as other costly respiratory disease such as asthma. These diseases cause considerable personal and family suffering and contribute significantly to the high cost of medical care.

Based on testimony, your Committee supports the requirement calling for the manufacturer to identify tax-exempt cigarettes. Your Committee commends the Department of Health for its efforts to reduce tobacco use through a comprehensive program that employs a variety of strategies to deter youth from starting to smoke, encourages adult smokers to quit, and protects individuals from involuntary exposure to environmental tobacco smoke.

Upon careful consideration, your Committee has amended this measure by:

- (1) Including a mechanism to identify tax-exempt cigarettes;
- (2) Imposing penalties for the failure to identify tax-exempt cigarettes and for the resale of tax-exempt cigarettes;
- (3) Decreasing the tax rate from 5.50 cents per cigarette to 5.00 cents per cigarette;
- (4) Providing an appropriation of \$500,000 to the Department of Health for tobacco prevention, education, control, and tobacco-related disease prevention activities; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 927, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 927, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Whalen.
(Representative Stegmaier voted no.)

SCRep. 1208 Health on S.B. No. 251

The purpose of this bill is to increase the membership of the board of directors of the Hawaii Health Systems Corporation from eleven to thirteen members.

Testimony in support of this bill was received from the Hawaii Government Employees Association and Kaiser Permanente. No testimony in opposition to this bill was received.

Your Committee believes that the additional board members will provide the opportunity to appoint directors from other segments of our community and broaden the scope of board's expertise.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 251, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 251, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Whalen.

SCRep. 1209 Health on S.B. No. 984

The purpose of this bill is to establish a Health Care Consumer Protection Act which requires insurers to:

- (1) Provide annual notice to current enrollees apprising them of the extent of their insurance coverage; and
- (2) Cover necessary and appropriate medical services.

The Hemophilia Foundation of Hawaii submitted testimony in support of this measure. The Department of Commerce and Consumer Affairs and the State Planning Council on Developmental Disabilities submitted comments on this measure. The Hawaii Medical Service Association, the Department of Human Services (DHS), and the Queen's Health Plans submitted testimony in opposition to this measure.

Your Committee believes that the Legislature has a responsibility to assure adequate protection for individuals under any form of managed care, and that a comprehensive rather than a piecemeal approach is preferable.

Upon careful consideration, your Committee has amended this bill, upon request by the State Planning Council on Developmental Disabilities, by deleting the substance and inserting new material, the purpose of which is to:

- (1) Establish minimum requirements and standards for the Hawaii health QUEST II program, which extends QUEST coverage to the aged, blind, and disabled populations; and
- (2) Create a new ombudsman advocate, separate from the Office of Ombudsman and independent of DHS and the managed care health plans, for the special needs of the QUEST II population.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 984, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 984, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Whalen.

SCRep. 1210 Health on S.B. No. 1794

The purpose of this bill is to improve sanitation procedures of the Department of Health (DOH) by:

- (1) Allowing for the transfer of a sanitation permit upon the sale of a food establishment;
- (2) Requiring registered sanitarians to perform inspections of food establishments;
- (3) Requiring an annual audit of the sanitation branch of DOH; and
- (4) Creating an advisory council on food protection practices.

Your Committee received supportive testimony from the Hawaii Food Industry Association, Y. Hata & Co., Ltd., PRL Restaurants, the Hawaii Restaurant Association, and several members of the Hawaii Restaurant Association. The Department of Health opposed this measure.

Testimony indicated that the Department of Health is already required to provide an annual audit of the sanitation branch to the Legislature. Further, rather than mandating the advisory council to take certain actions, your Committee finds that the advisory council should be given more flexibility to take those actions as it deems fit.

Accordingly, this bill has been amended by:

- (1) Deleting the requirement of an annual audit of the sanitation branch of DOH; and
- (2) Allowing, rather than requiring, the advisory council to take prescribed actions.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1794, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1794, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki and Whalen.

SCRep. 1211 Legislative Management on S.B. No. 1919

The purpose of this bill is to increase public access to the legislative process and to enhance the efficiency and effectiveness of the Legislature by:

- (1) Establishing the Legislative Broadcast Program in the State Capitol as a permanent part of the Legislature's Public Access Program;
- (2) Providing equal access to legislative broadcasts for all citizens in the State;
- (3) Giving the Legislative Analyst additional duties and responsibilities, including the analysis of bills proposing to establish new special funds or new revolving funds. The Legislative Auditor currently has the responsibility of analyzing bills creating new special funds or new revolving funds; and
- (4) Appropriating moneys to replace the Legislature's existing computer information system.

Common Cause Hawaii submitted testimony supporting this measure. The Department of Budget and Finance submitted comments.

In response to increasing interest and involvement in the legislative process on the part of Hawaii's citizens, the Legislature has continued to expand its public access programs to include:

- (1) Live and delayed television broadcasts of legislative sessions and hearings;
- (2) The operation of the widely-used Public Access Room at the State Capitol; and
- (3) The maintenance of on-line networks that readily provide public access to legislative data and information, including: bill status and history; the text of bills, resolutions, and committee reports; public hearing schedules; information on individual legislators; introducers of bills; and voting records.

Your Committee notes that on Oahu, legislative proceedings are broadcast at convenient times for most residents. However, neighbor island residents can view legislative broadcasts only during late night hours, starting at 11:00 p.m., because the public community television stations do not have the equipment to tape and replay the legislative proceedings during more reasonable hours. This bill remedies this inequity by providing grants to community television stations on Hawaii, Maui, and Kauai to permit legislative telecasts to be taped and replayed during hours that are more convenient for viewers on the neighbor islands.

After careful deliberation, your Committee has amended this bill by deleting the new section requiring the Legislative Analyst to conduct detailed reviews of fiscal management practices. Such reviews are already broadly encompassed in existing law and, if deemed necessary, would be more appropriately defined in House-Senate rules by the Joint Legislative Management Committee.

Other technical, nonsubstantive amendments were also made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Legislative Management that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1919, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1919, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Say, Souki and Ward.

SCRep. 1212 Public Safety and Military Affairs on S.B. No. 1385

The purpose of this bill is to require that:

- (1) All state war memorials and veterans' cemeteries are inspected for repair and maintenance deficiencies every three years instead of annually; and
- (2) Reports of maintenance problems be submitted to the Legislature following the inspections.

The Office of Veterans Services testified in support of the measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1385 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1213 Consumer Protection and Commerce on S.B. No. 1493

The purpose of the bill is to authorize the formation of single-member limited liability companies.

Testimony in support of the bill was received from the Department of Commerce and Consumer Affairs, Business Registration Division, the Hawaii State Bar Association, Corporations and Securities Section, and the Hawaii Association of Realtors.

Your Committee finds that the passage of this measure will allow individuals to form single-member limited liability companies, thereby allowing small business owners to be treated as separate legal entities for federal income tax purposes.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1493, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Tom and Yoshinaga.

SCRep. 1214 Judiciary on S.B. No. 305

The purpose of this bill, as received by your Committee on Judiciary, is to amend sections 707-750 and 707-751, Hawaii Revised Statutes, to include persons producing or making pornographic material involving minors under the offense of child abuse.

Your Committee heard testimony on this bill from the Honolulu Police Department, the Hawaii State Commission on the Status of Women, and the Public Defender.

Your Committee finds that this measure would ensure more effective prosecution of child sex offenders by making it a crime to possess materials which portray children in sexually explicit poses.

Your Committee has amended this bill by:

- (1) Providing that the term "lascivious" is defined within the context of contemporary community standards;
- (2) Defining "community standards" as the standards of the State; and
- (3) Making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 305, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 305, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1215 Judiciary on S.B. No. 333

The purpose of this bill, as received by your Committee on Judiciary, is to prohibit the informal adjustment of domestic violence cases in Family Court that involve adult defendants.

Your Committee received testimony on this bill from the Department of the Prosecuting Attorney, City and County of Honolulu, the Domestic Violence Clearinghouse and Legal Hotline, Child & Family Service and the Public Defender.

Your Committee finds that by allowing the informal adjustment of cases under section 709-906, Hawaii Revised Statutes, through the Family Court system, there is no tracking of prior abuse cases for any perpetrator whose case might be discharged under this mechanism. Since domestic abuse often presents a pattern of ongoing abuse, there will likely be more than a single incident. Without documentation of such incidents, however, appropriate judicial decisions may not be made.

Your Committee has amended this bill, for the sake of clarity, by including the description of the statute referred to in the Penal Code rather than the section citation.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1216 Judiciary on S.B. No. 959

The purpose of this bill is to adopt the Uniform Prudent Investor Act.

Testimony in support of this bill was received from the Hawaii Commission to Promote Uniform Legislation, members of the National Conference of Commissions on Uniform State Laws, and the Trust Committee of the Hawaii Bankers Association.

Your Committee has amended the bill by making a technical nonsubstantive change for the purpose of clarity, as suggested by the Bankers Association.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 959, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 959, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Menor and Pendleton.

SCRep. 1217 Judiciary on S.B. No. 1279

The purpose of this bill is to extend the existing prohibition of sexual penetration of a prisoner by a corrections officer to a general prohibition of any arrested or detained person by a law enforcement officer.

The Attorney General, the Hawaii State Commission on the Status of Women, the Department of the Prosecuting Attorney, and the four County Police Departments submitted testimony in support of this bill. The Office of the Public Defender offered comments and suggested an amendment to the bill.

Your Committee has amended the bill by:

- (1) Clarifying that this section specifically applies to a "law enforcement officer," as defined in section 710-1000(13), Hawaii Revised Statutes;
- (2) Changing the phrase "good faith" to a "lawful" search exception to be consistent with other provisions of the law; and
- (3) Making other technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1279, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1279, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1218 Judiciary on S.B. No. 823

The purpose of this bill is to permit an heir or legatee to transfer a firearm directly to a dealer licensed under firearms law or by the United States Department of the Treasury without complying with "permit to acquire" requirements.

Your Committee received testimony from the Honolulu Police Department, the National Rifle Association, and the Hawaii Rifle Association in support of the measure. The Associations also suggested an amendment to simplify the procedure.

Your Committee agrees with the rationale of the Rifle Associations regarding their suggested amendment. Under the law, many pre-1995 firearms are not required to be registered. Therefore, mandating a copy of the death certificate of the "registered" owner would be an impossible requirement.

Accordingly, your Committee has amended the bill by deleting the reference to "registered" with regard to the presentation of a copy of the death certificate.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 823, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 823, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Lee and Menor.

SCRep. 1219 Judiciary on S.B. No. 5

The purpose of this bill is to:

- (1) Clarify and validate the waiver of liability issued to motorsports participants; and
- (2) Require a motorsports facility to purchase general liability insurance of \$5,000,000 for spectators and \$1,000,000 for participants which indemnify participants for gross negligence, wilful and wanton conduct, or intentional acts, in order for the provisions of this bill to apply.

Testimony on this bill was received from the Estate of James Campbell, the Hawaii Motorcycle Dealers Association, the Hawaii Motorsports Association, the Hawaii Motorsports Center, Consumer Lawyers of Hawaii, and practicing attorneys.

Your Committee finds that the insurance coverage limits in this bill may be unaffordable for motorsports operators on Kauai and other islands. Your Committee also finds that the requirement for waiver signatures to be witnessed is an unnecessary inconvenience. Further, your Committee finds that motorsports operators should not be immune from liability for acts which constitute gross negligence.

Upon further consideration, your Committee has amended this bill by:

- (1) Reducing required insurance coverage limits due to negligence of the motorsports owner or operator to \$1,000,000 for spectators and \$500,000 for participants;
- (2) Deleting the requirement that waiver signatures must be witnessed;

- (3) Providing that motorsports operators are not immune for acts which constitute gross negligence; and
- (4) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 5, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 5, SD 2, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Cachola, Hiraki, Lee and Menor.

SCRep. 1220 Judiciary on S.B. No. 285

The purpose of this bill, as received, is to extend the deadlines for filing writs of certiorari and for the Supreme Court to act upon such applications from ten to thirty days.

Your Committee received testimony from the Judiciary, the Department of the Prosecuting Attorney, the Hawaii State Bar Association Legislation Committee, the Office of the Public Defender and a private attorney in support of the bill.

Your Committee finds that a longer filing deadline will give litigants a more reasonable time within which to study a decision by the Intermediate Court. In theory, writs would be filed on the merits of a case rather than just to preserve options and preempt malpractice claims. Frivolous and unnecessary applications may be eliminated or reduced, thereby lessening the judicial system's administrative load.

Given this rationale, the Supreme Court should be able to determine to accept or reject an application within their current ten-day deadline.

Your Committee has therefore amended the bill by retaining the current ten-day deadline applicable to action by the Supreme Court.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 285, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 285, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Menor and Pendleton.

SCRep. 1221 Public Safety and Military Affairs on H.C.R. No. 197

The purpose of this concurrent resolution is to request a management and financial audit of the correctional industries program of the Department of Public Safety.

The Department of Public Safety commented on the measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 197 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1222 Human Services and Housing on H.C.R. No. 17

The purpose of this concurrent resolution is to allow disabled persons equal access to public buildings by requesting the Commission on Persons with Disabilities (Commission) to study ways to increase accessibility to public buildings and facilities for persons with disabilities.

Your Committee received testimony in support of this measure from the Commission and a concerned individual.

Although current statute requires review and recommendations on all construction plans by the Commission, your Committee acknowledges that the final products being constructed are not always accessible per the design requirements to ensure access for persons with disabilities. The State Capitol and the Aloha Stadium are two examples of public buildings that are not completely accessible for the disabled.

Your Committee has amended this measure by:

- (1) Adding an additional clause referencing the State Capitol and the Aloha Stadium as two public buildings that are not completely accessible for persons with disabilities; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 17, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 17, HD 1.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1223 Human Services and Housing on H.R. No. 18

The purpose of this resolution is to allow disabled persons equal access to public buildings by requesting the Commission on Persons with Disabilities (Commission) to study ways to increase accessibility to public buildings and facilities for persons with disabilities.

Your Committee received testimony in support of this measure from the Commission and a concerned individual.

Although current statute requires review and recommendations on all construction plans by the Commission, your Committee acknowledges that the final products being constructed are not always accessible per the design requirements to ensure access for persons with disabilities. The State Capitol and the Aloha Stadium are two examples of public buildings that are not completely accessible for the disabled.

Your Committee has amended this measure by:

- (1) Adding an additional clause referencing the State Capitol and the Aloha Stadium as two public buildings that are not completely accessible for persons with disabilities; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 18, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 18, HD 1.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1224 Human Services and Housing on S.B. No. 1351

The purpose of this bill is to ensure the continued availability of drug treatment to qualified individuals, especially women, who have been convicted of felony drug possession, use, or distribution by restoring cash assistance and food stamp benefits which were disallowed by federal law, thereby increasing their likelihood of successfully moving from welfare to work.

The Department of Human Resources, the Judiciary, and a concerned individual submitted testimony in support of this measure. Your Committee received supportive testimony from the Department of Health, the Hawaii Substance Abuse Coalition, and the Department of the Attorney General, provided that reference to the "sunset clause" be deleted.

Your Committee is concerned that denying cash assistance and food stamps to persons convicted of a drug felony after August 22, 1996, may increase actual costs to the State. Households would be forced to live well below minimum subsistence levels, and the community and social services resources would be overburdened.

Your Committee has amended this measure by:

- (1) Deleting reference to a two-year "sunset provision"; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1351, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1351, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1225 Water and Land Use on S.B. No. 248

The purpose of this bill is to amend section 264-1, Hawaii Revised Statutes, to require due and diligent search of an owner of record before a highway or trail is deemed surrendered to public use.

Testimony in support of this measure was received from the DLNR. Testimony reflecting no objection to this bill was received from the Department of Transportation. No testimony in opposition to this bill was received.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 248, SD 1, and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Goodenow, Kanoho and Yoshinaga.

SCRep. 1226 Water and Land Use on S.B. No. 1016

The purpose of this bill is to enable the Department of Land and Natural Resources (DLNR) to modify or extend pasture leases.

Testimony in support of this measure was received from the DLNR and the Hawaii Farm Bureau. No testimony in opposition to this bill was received.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, HD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow, Kanoho and Yoshinaga.

SCRep. 1227 Health on S.B. No. 846

The purpose of this bill is to make housekeeping amendments to Chapter 329, Hawaii Revised Statutes, to conform with changes in federal law. This bill also provides for emergency scheduling of dangerous drugs, partial filling of prescriptions, and the criminalization of certain acts relating to prescription forms.

The Department of Public Safety, the Honolulu Police Department, and Longs Drug Stores submitted testimony in support of this bill.

Your Committee finds that in order to protect the public from abuse of controlled substances, the Narcotics Enforcement Division of the Department of Public Safety must be vested with the authority to schedule dangerous drugs on a temporary basis.

Your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 846, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 846, SD 1, HD 1, and be referred to the Committees on Consumer Protection and Commerce and Judiciary.

Signed by all members of the Committee except Representatives Saiki, Stegmaier, Pendleton and Whalen.

SCRep. 1228 Health on S.B. No. 1588

The purpose of this bill is to streamline the process for committing and releasing mentally incompetent defendants.

Specifically, this bill allows mental health examinations by one, rather than three, examiners in nonfelony cases and allows either a psychiatrist or a psychologist to be appointed as an examiner. Examinations can be conducted on an outpatient basis. The bill also requires three examiners, including at least one psychiatrist and one psychologist, in felony cases. The bill limits the time that a defendant, if not then confined, may be committed by the court for examination to not more than thirty days unless the court determines it necessary upon written findings.

Your Committee received testimony in favor of this bill from the Director of the Department of Health, the Department of the Prosecuting Attorney of the City and County of Honolulu, and from several graduate students in Social Work at the University of Hawaii. The Administrative Director of the Courts submitted testimony taking no position on this bill.

Your Committee has adopted the recommendations of the Department of Health and has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1588, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1588, SD 1, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Saiki and Whalen.

SCRep. 1229 Health on S.B. No. 1363

The purpose of this bill is to expand the locations where residents with temporary medical licenses may train to include health care facilities and organized ambulatory health care facilities.

Your Committee received written testimony in support of this measure from the Board of Medical Examiners, Hawaii Medical Association, Hawaii Residency Programs, Inc., Healthcare Association of Hawaii, Hawaii Federation of Physicians and Dentists, and a concerned individual.

Your Committee acknowledges that the venue for the delivery of health care has changed dramatically since HRS §453-3 was originally written. Physicians in training need to be exposed to all areas of health care management and treatment, including those beyond the hospital setting. Your Committee finds that this bill will modify the out-dated language of HRS §453-3 and allow physicians in training to meet the training requirements of the Accreditation Council for Graduate Medical Education.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1363 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1230 Health on S.B. No. 1561

The purpose of this bill is to amend the food, drug, and cosmetics law to include new definitions, amend existing definitions, prohibit the sale of expired drugs, and restrict the distribution of formulary to pharmacists only.

Your Committee received written testimony in support of this measure from the Department of Health, The Board of Pharmacy, The Board of Medical Examiners, Hawaii Pharmaceutical Association, Hawaii Nurses Association, and Longs Drug Stores.

Your Committee finds that this bill updates and clarifies the food and drug law and ensures that prescription drugs are properly dispensed to consumers.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1561, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki, Stegmaier and Pendleton.

SCRep. 1231 Tourism on S.B. No. 1472

The purpose of this bill is to change the transient accommodations tax (TAT) distribution formula to require the amount normally retained by the State to be deposited, for a period of two years, into the convention center capital and operations special fund.

Your Committee received testimony as follows:

1. Office of the Mayor of the City and County of Honolulu, Office of the Mayor of the County of Maui, one individual member of the Maui County Council, one individual member of the Honolulu City Council, Department of Finance of the County of Kauai, Department of Finance of the County of Hawaii, Hawaii Hotel Association, Maui Hotel Association, ABC Mortgage, Waimanalo Neighborhood Board No. 32, Network of Neighborhood Boards, Hawaii State Association of Counties, one private individual, in support; and
2. Department of Budget and Finance, Tax Foundation of Hawaii, in comment.

Your Committee finds that the need for revenue to finance the debt service on the convention center will require adjustments to the funding sources dedicated to the convention center capital and operations special fund.

Your Committee revised the bill by:

1. Removing the substantive contents;
2. Requiring the transmittal of funds from traffic fines and forfeitures from the state to the county in which the infractions were committed;
3. Amending the distribution formula for funds from the transient accommodations tax by requiring the deposit into the convention center capital and operations special fund of 23.9 percent of revenues generated in the fiscal year beginning July 1, 1997, and 27.5 percent in the fiscal year beginning July 1, 1998;
4. Requiring the distribution of the funds to the counties in an amount equal to the amount received in the fiscal year beginning July 1, 1994, but reduced by the amount received by the county from traffic forfeitures and public service company taxes;
5. Providing that the state shall retain any remaining revenues;
6. Requiring the distribution of funds generated by the public service company tax in excess of four percentage points be distributed to the county in which it was generated, provided that any county levying a real property tax on a public service company shall forfeit its share of the public service company tax revenues; and
7. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1472, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1472, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.
(Representative McDermott voted no.)

SCRep. 1232 Tourism on S.B. No. 1806

The purpose of this bill is to appropriate funds to the Department of Business, Economic Development, and Tourism for development, promotion, and marketing of sports tourism, including such events as the NFL Pro Bowl, the Hawaiian Open, other major professional golf tournaments, the Honolulu Marathon, the Trans-Koolau Race, major league baseball games and the winter baseball league, processing camp for the U.S. Para-Olympics Team prior to the Nagano Winter Para-Olympics, and activities related to the 2000 Summer Olympics Games.

Your Committee received testimony in support of this bill from Office of the Mayor of the County of Kauai, Department of Business, Economic Development, and Tourism, Hawaii Hotel Association, Chamber of Commerce of Hawaii, Hawaii Pacific Sports, ITT Sheraton, and International Senior Olympics.

Your Committee finds that sports events in general provide tremendous tourism promotion benefits to Hawaii, especially those that generate large amounts of national and international news coverage.

The 1997 NFL Pro Bowl in January demonstrated the value of large-scale, high-profile sporting events in Hawaii, resulting in enormous amounts of publicity across the country during one of the coldest times of the year, bringing in large numbers of visitors to attend the game, and generating a myriad of associated activities across the state.

Televised golf events give tremendous media exposure of Hawaii to an especially affluent segment of the potential tourism market. A large proportion of visitors to Hawaii include golf in their list of activities, and the game has a particularly strong attraction for visitors from Asia, particularly Japan, and Europe.

The sport of baseball enjoys enormous popularity in Japan, one of the most important of Hawaii's visitor markets, and in Korea and Taiwan, two major developing markets, and many successful players in Japan have played in Hawaii, drawing media attention in Japan to the Hawaii league. Promotion of the Hawaii Winter Baseball League will allow the state to make use of these advantages for the purpose of promotion of Hawaii as a visitor destination and as a location for sporting events.

Hawaii Pacific Sports Inc. has played an instrumental role in negotiations with the United States Olympic Committee as the location for the Olympic processing camp and related activities preceding and following the Summer Olympics in Australia in the year 2000. Plans are already underway for having Hawaii as the possible site for the official welcome ceremonies for the returning U.S. athletes, which may include a parade down Kalakaua Avenue and a reception with the President of the United States. If Hawaii is selected as the site, these events will also encourage other major sporting events to bring their games to Hawaii and will generate tremendous favorable publicity.

Your Committee revised the bill by:

1. Establishing the funding levels at \$2 for fiscal year 1997-1998 and \$2 for fiscal year 1998-1999 for the purpose of continuing discussion of the bill;
2. Providing that the development, promotion and marketing of sports tourism shall be conducted by organizations to include Hawaii Sports Inc., Big Island Marathon, Royal Hawaiian Rowing Challenge, NFL Pro Bowl, the Hawaiian Open, other major professional golf tournaments, the Honolulu Marathon, the Trans-Koolau Race, major league baseball games, the Hawaii Winter Baseball League, and others;
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1806, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1806, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1233 Tourism on S.B. No. 1891

The purpose of this bill is to require the Convention Center Authority to adopt rules for the use of the convention center by local community organizations whenever the facility is not reserved for out-of-state convention events and report to the legislature prior to the 1999 Regular Session.

Your Committee received testimony as follows:

1. Neighbors of the Ala Wai, Ala Moana Residents Advisory Council, Waikiki Residents Association, five private individuals, in support; and
2. Convention Center Authority, Hawaii Hotel Association, in comment.

Your Committee finds that the role of catalyst for economic activity remains the central purpose of the convention center. The economy will derive the greatest benefit from convention visitors from out of the state, and the convention center should continue to concentrate its efforts on offshore business.

Although use of the center for activities by local organizations should be considered by the authority, the focus on out-of-state business should continue. The legislature funded considerable improvements to the Neal Blaisdell Center for the purpose of providing meeting and exhibition facilities for local organizations, as an alternative to using the convention center, which did not have the parking or surrounding traffic infrastructure for handling large local events.

Your Committee revised the bill by:

1. Removing provisions relating to the adoption of rules;
2. Directing the Convention Center Authority to study the feasibility of allowing residents and community organizations to use the convention center and report its findings to the legislature before the 1999 Session;

3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1891, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1891, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1234 Labor and Public Employment on S.B. No. 1504

The purpose of this bill is to amend section 431:14-103(c), Hawaii Revised Statutes, to provide that an employer shall only be entitled to a five percent workers' compensation insurance premium discount if the employer maintains a safety and health program in place for the entire policy period in which the five percent discount is received.

Current law requires an insurer to provide an employer with a five percent workers' compensation insurance premium discount if the employer obtains a certificate from a certified safety and health professional for having an effective safety and health program.

Your Committee received testimony from the Department of Commerce and Consumers Affairs (DCCA) which testimony indicated that under current law, an employer could obtain a discount for the entire policy period even if that employer discontinued or diminished a certified safety and health program immediately after obtaining the certification. That employer would essentially have its premiums subsidized by other employers. The DCCA supported a discount for the entire policy period only when an employer maintained the effective safety and health program throughout the policy period.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1504 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee.

SCRep. 1235 Labor and Public Employment on S.B. No. 202

The purpose of this bill is to extend the pensioners' bonus paid to certain retirees of the Employees' Retirement System from June 30, 1997, to June 30, 1999.

Your Committee received testimony in support of this measure from the Retirees Unit, HGEA/AFSCME, Local 152, the Hawaii State Teachers Association - Retired, the Kauai Retired Teachers Association, the Oahu Retired Teachers Association, the Coalition of Hawaii State/Counties Retirees, the Hawaii State Teachers Association and several individuals. The Employees' Retirement System testified on the probable cost of this measure, and the Department of Budget and Finance opposed the bill due to current fiscal constraints.

Your Committee believes that it is incumbent upon the State to adequately provide for its long-time retirees. This bill would continue to compensate those retirees for inflation and other increases in the cost of living. Your Committee finds that the two-year extension of the pensioners' bonus provided by this measure is reasonable in light of the State's current fiscal situation.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 202, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1236 Labor and Public Employment on S.B. No. 262

The purpose of this bill is to:

- (1) Allow former public employees with ten or more years of service to return to active service without losing any previously earned health fund benefits; and
- (2) Increase the time period in which a public employee can suffer a break in service without losing health fund benefits from seven to ninety days.

Your Committee received testimony in support of this measure from the Hawaii Public Employees Health Fund and the Hawaii State Teachers Association.

Your Committee finds that Act 269, Session Laws of Hawaii (SLH) 1996, inadvertently created a disincentive for former public employees with ten or more years of service to return to government service. Your Committee further finds that Act 269, SLH 1996, adversely impacted certain University of Hawaii and Department of Education employees who are unable to transfer jobs or secure re-employment within seven calendar days. This measure would ensure that these public employees do not lose any of their accrued health fund benefits.

Upon due consideration, your Committee has amended this bill by changing the effective date to June 30, 1996.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 262, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 262, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hiraki.

SCRep. 1237 Labor and Public Employment on S.B. No. 1653

The purpose of this bill is to expand the Leave Sharing Program to allow state and county employees to use donated leave credits for the care of family members before exhausting their own sick leave.

Supportive testimony was received from the Department of Personnel of the City and County of Honolulu, the Hawaii State Teachers Association, and the Hawaii Federation of Business and Professional Women's Clubs, Inc. The Department of Human Resources Development submitted comments on this measure.

Your Committee believes that the Leave Sharing Program has been very beneficial and this bill will allow employees to help their fellow workers who are suffering from an extraordinary situation.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1653 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1238 Labor and Public Employment on S.B. No. 1302

The purpose of this bill is to:

- (1) Convert the State Advisory Commission on Employment and Human Resources into a Workforce Development Council; and
- (2) Consolidate the Tourism Training Council, the Job Training Coordinating Council, and the Job Service Employers Committee into the Workforce Development Council.

Supportive testimony was received from the Department of Labor and Industrial Relations, the Department of Education, and the Department of Human Services.

Your Committee understands that the functions of the Job Training Coordinating Council under the Job Training Partnership Act and the Job Service Employers Committee under the Wagner-Peyser Act are already provided for in this measure.

In addition, your Committee is aware that the functions of the Tourism Training Council may be too extensive for the small staff being charged with carrying out the duties of the Workforce Development Council and therefore, recommends that visitor and other industries provide advice to the Workforce Development Council through ad hoc work groups and existing organizations.

Your Committee has amended this bill by:

- (1) Deleting the requirement that the Workforce Development Council carry out the functions of the former Tourism Training Council, the Job Training Coordinating Council, and the Job Service Employers Committee; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1302, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1302, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1239 Labor and Public Employment on S.B. No. 406

The purpose of this bill is to plan for the State's economy by:

- (1) Developing a comprehensive workforce plan that will position Hawaii for the expected federal workforce block grants; and
- (2) Implement state policies for economic and workforce strategies through the inclusion of local entities in coordination with stakeholders at all levels of government.

A delegate to the 1996 Democratic Party state convention submitted testimony in support of this measure. The Office of Planning submitted testimony in support of the intent of this measure. The Department of Labor and Industrial Relations supported the workforce development policies called for in this measure.

Your Committee has made technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 406, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 406, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1240 Labor and Public Employment and Consumer Protection and Commerce on S.B. No. 1506

The purpose of this bill is to:

- (1) Correct and clarify Act 261, Session Laws of Hawaii 1996, which established the Hawaii Employers' Mutual Insurance Company (HEMIC); and
- (2) Amend the Hawaii Nonprofit Corporation Act to permit HEMIC to be reorganized as a nonprofit corporation.

Specifically, this bill also:

- (1) Exempts HEMIC from participation in the Education and Training Fund as required under the Insurance Code;
- (2) Permits a separate contingent liability for HEMIC members in its high risk division; and
- (3) Establishes economic parameters with which HEMIC's directors must comply.

Supportive testimony was received from the Legislative Information Services of Hawaii and HEMIC.

Your Committees understand that as the market of last resort and a competitive insurance company, HEMIC will be available to all employers in the State. However, HEMIC's ability to properly serve those employers is limited by a single rate structure. This "one size fits all" approach to the market means that HEMIC's premium structure will be much higher than it should be for some employers and much lower than it should be for others. Your Committees find that an effective way to address this issue is to allow HEMIC to file multiple rates for each classification. Having multiple rate ties would allow HEMIC to effectively and responsibly serve the entire range of employers who wish to do business with HEMIC.

Upon careful consideration, your Committees have amended this bill by:

- (1) Allowing HEMIC to make multiple rate filings, consistent with sound actuarial judgment, for each classification; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Labor and Public Employment and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1506, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1506, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Menor, Cachola, Hiraki, Tom, Yoshinaga and Kawanakoa.

SCRep. 1241 Human Services and Housing on S.B. No. 412

The purpose of this bill, as received by your Committee, is to provide a mechanism and procedure for developing a financing strategy for long-term care in Hawaii.

A large turnout for testimony being submitted by the Department of Human Services, the Executive Office On Aging, the State Planning Council On Developmental Disabilities, the retirees unit of Hawaii Government Employees Association, the American Association of Retired Persons, the Coalition for Affordable Long Term Care, the Kokua Council, the Democratic Party of Hawaii, the Hawaii Long Term Care Association, Research Information Services, and a concerned citizen, indicated the mass appeal that this measure has for the people of Hawaii.

Every group and individual giving testimony supported at the very least the intent of this bill, and reiterated the need for positive action in seeking answers to the long-term health care problem facing the State. There were a number of comments regarding the similarity between this bill and the House Bill No. 147, HD 1, which passed out of the Human Services and Housing Committee earlier in this legislative Session. In fact, there were recommendations by some testifiers to include the provisions of HB 147, HD 1, in this measure.

Your Committee passes this Senate bill, however, the substance of the bill has been replaced with new material which your Committee members believe more succinctly present the matter.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 412, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 412, SD 2, HD 1, and that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1242 Human Services and Housing and Health on S.B. No. 1879

The purpose of this bill is to allow adult residential care homes (ARCHs) to admit patients requiring nursing home level of care.

Written and oral testimony offered by the Department of Human Services (DHS), the Department of Health (DOH), the Healthcare Association of Hawaii, the Hawaii Long Term Care Association, the Big Island Adult Residential Care Home Association, the United Group of Home Operators (UGHO), the Director of Maluhia waitlist project, and several concerned citizens all, with one exception, voiced support for at least the intent of this measure. Most of those testifying were in wholehearted support for the measure in its current form. DHS, however, was concerned with the funding aspects of the proposal, and several others testifying urged various proposed amendments.

The Healthcare Association of Hawaii testified in opposition to the bill citing what it called a misconception that nursing home residents could be cared for at home, or in care homes, if only they had sufficient resources. The residents of skilled nursing homes, it was claimed, are residing there primarily because the level of services needed exceed what family or care home caregivers are able to provide.

Your Committees discussed and considered this important measure and are of the opinion that expanding the adult residential care homes at this time could lead to problems regarding quality of care within, and controls over, said ARCHs. Therefore, in the belief that expanding the demonstration Wait-list project at Maluhia would be more appropriate at this time, your Committee amends this measure to reflect the following:

- 1) On page 2, lines 3 and 4-5, references made to a percent of the adult population should be replaced with references to a percent of the general population;
- 2) Section 2. of the bill, (lines 10 through 22, page 3, and lines 1 and 2, of page 4), is deleted in its entirety;
- 3) On page 3, the Section 3 designation is deleted and replaced with Section 2 designation;
- 4) On page 4, lines 13 through 15, are deleted in their entirety;
- 5) On page 4, line 16, the subsection is to be designated subsection (b);
- 6) On page 5, lines 4 and 5 are deleted, except for the word "and" at the end of line 5;
- 7) On page 6, line 4, is to be designated subsection (c);
- 8) On page 6, lines 10 through 17, delete underscored material;
- 9) On page 6, line 18, is to be designated subsection (d);
- 10) On page 7, line 3, is to be designated subsection (e);
- 11) On page 7, lines 7 through 10 (Section 4), is deleted in its entirety;
- 12) On page 7, lines 11 through 14 (Section 5), is deleted in its entirety;
- 13) A new section designated Section 3, is added as a purpose clause;
- 14) A new section 4, is added making two new amendments to Act 165, Section 4, and to read as follows:
 - (4) Or be a private paying resident certified by a physician as needing nursing facility (F) level of care; and
 - (5) Reside in his or her own home, a hospital, or other care setting.
- 15) A new section 5, indicating that the demonstration project is extended to June 30, 1999;
- 16) A new section 6, indicating that repealed statutory material is underscored and new statutory material is underscored;
- 17) A new section 7, indicating that the Act shall take effect upon approval; and
- 18) Other non-technical amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Human Services and Housing and Health that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1879, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1879, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representative Whalen.

SCRep. 1243 Economic Development and Business Concerns and Agriculture on S.B. No. 37

The purpose of this bill is to:

- (1) Designate the Waialua district as an enterprise zone for five years;
- (2) Amend the definitions of various services that are defined under the State Enterprise Zones Law;
- (3) Clarify the eligibility of census tracts within the County of Kauai for designation as enterprise zones;
- (4) Amend the requirements of the sale of tangible personal property within an enterprise zone; and
- (5) Clarify the eligibility of agricultural producers for designation as qualified businesses.

Testimony in support of the intent of this bill was submitted by the Department of Business, Economic Development, and Tourism and the Mayor of the County of Kauai. Comments were submitted by the Department of Taxation. Opposition to this bill was submitted by the Planning Department of the City and County of Honolulu.

Your Committees recognize that designating the Waialua district as an enterprise zone may:

- (1) Interfere with the partnership between the State and counties, whereby the counties select specific areas for designation as enterprise zones, subject to the Governor's approval; and
- (2) Be duplicative, as part of the Waialua district is already included in an enterprise zone.

Your Committees further recognize that a process to amend the boundaries of designated zones already exists.

Accordingly, your Committees have amended this bill by:

- (1) Deleting the portion of the bill that designates the Waialua district as an enterprise zone; and
- (2) Changing the effective date to January 1, 1999.

As affirmed by the records of votes of the members of your Committees on Economic Development and Business Concerns and Agriculture that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 37, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 37, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Takai and White.

SCRep. 1244 Culture and the Arts on S.B. No. 426

The purpose of this bill is to establish a revolving fund to support culture and arts programs.

Testifying in support of the bill were the State Foundation on Culture and the Arts, the Democratic Party of Hawaii, the Honolulu Academy of Arts, and four individuals. Submitting comments on the bill were the Department of Budget and Finance, the Honolulu Theatre for Youth, the Waikiki Gallery Inc., and an individual.

Your Committee finds that the culture and the arts programs and projects supported through the years by the State Foundation on Culture and the Arts (SFCA) have elevated the collective consciousness of our society. Unfortunately, due to sluggish economic conditions, funding for culture and the arts has stagnated. This bill enables SFCA to utilize entrepreneurial strategies to increase funding for culture and the arts.

Your Committee finds that the issue of royalties is a complex one that has many ramifications. This issue must be discussed among the relevant parties and resolved prior to inclusion as a provision of the fund.

Your Committee has amended the bill by:

- (1) Deleting references to royalties;
- (2) Clarifying that the fund is to receive legislative appropriations only for grants to be made by the grants program, and excluding funds for personnel costs; and
- (3) Making technical, nonsubstantive revisions for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 426, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 426, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Takamine.

SCRep. 1245 Education on S.B. No. 1624

The purpose of this bill is to restructure the Advisory Council for Literacy and Lifelong Learning by:

- (1) Changing its name to Hawaii's Alliance for Literacy and Lifelong Learning;
- (2) Changing its appointing authority from the Governor to the Board of Education;

- (3) Reducing its size from eighteen to seven members; and
- (4) Changing its purpose from that of an advisory body to one that maximizes resources for community-level programs.

Comments on the bill were submitted by the State Librarian.

Your Committee has amended the bill by:

- (1) Clarifying that the name of the alliance is the Advisory Alliance for Literacy and Lifelong Learning; and
- (2) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1624, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1624, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Arakaki and Yonamine.

SCRep. 1246 Consumer Protection and Commerce on S.B. No. 1117

The purposes of the bill are to establish that:

- (1) A gift certificate or credit memo with an expiration date of less than five years is deemed abandoned property on its expiration date;
- (2) Gift certificates with no expiration date are excluded from the unclaimed property law;
- (3) "Gift certificate" or "certificate" as defined in section 523A-14, HRS, includes any writing for which the certificate issuer has received payment for the full face value of the certificate for future purchases, or delivery of goods or services; and
- (4) "Certificate issuer" or "issuer" means a restaurant or a person engaged in the business of offering services or goods for sale at retail who sells gift certificates to customers.

The Department of Commerce and Consumer Affairs, the Retail Merchants of Hawaii, and Liberty House testified in support of the bill. The Department of Budget and Finance testified in support of the measure with an amendment. The Hawai'i Restaurant Association and Legislative Information Services of Hawaii, Inc. testified in opposition to the bill.

Under the current law, a gift certificate or credit memo unclaimed by its owner is not presumed abandoned until more than five years after becoming payable. This measure provides that a certificate or memo with an expiration date of less than five years becomes abandoned property on its expiration date and precludes gift certificates with no expiration date from being deemed abandoned after five years.

Your Committee recognizes that concerns have been raised about the administrative burdens imposed on merchants who issue gift certificates by the requirements of the Unclaimed Property Act. In the interest of keeping this measure viable for further discussion, your Committee recommends its passage to the Committee on Finance.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1117, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Saiki, Tom, Yoshinaga, Aiona and Kawanakoa.

SCRep. 1247 Consumer Protection and Commerce on S.B. No. 1925

The purpose of this bill is to:

- (1) Give the Insurance Commissioner (Commissioner) discretionary authority to adjust workers' compensation insurance rates that are excessively higher or unconscionably lower than the actual cost of the provision of coverage being assured; and
- (2) Authorize the Commissioner to order insurers to rebate any savings to insureds that accrue between the effective date of the rate reduction and the expiration date of the contract to the insured.

Testimony in support of this bill was submitted by the Hawaii Nurses' Association. The Department of Commerce and Consumer Affairs (DCCA) submitted testimony in support of the intent of this measure. Testimony in opposition to this bill was submitted by the Hawaii Insurers Council and State Farm Insurance Companies.

Workers' compensation rates are determined by the actual loss experiences of the various classifications. There exists a natural lag whenever loss experiences change sufficiently for a rate change. This may result in either increases or decreases in rates. Requiring rebates when rates decrease without a concomitant ability to retroactively adjust rates when increases are approved raises questions of fairness. Moreover, your Committee notes the testimony of DCCA that initial research raises a number of issues relating to whether the rebate provision in the bill is constitutional.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the Commissioner's authority to order insurers to rebate any savings to insureds that accrue between the effective date of the rate reduction and the expiration date of contract to the insured; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1925, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1925, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Yoshinaga.

SCRep. 1248 Consumer Protection and Commerce on S.B. No. 1954

The purpose of this bill is to require utility lines exceeding forty-six kilovolts in urban districts to be placed underground, unless a compelling public interest requires the utility lines to be placed above ground.

Supportive testimony was received from the Manoa Neighborhood Board, Na Leo Pohai, the Sierra Club, the Ala Wai Watershed Community Network, the Historic Hawaii Foundation, Life of the Land, and numerous concerned individuals. The Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, the Public Utilities Commission (PUC), Kauai Electric, and the Hawaiian Electric Company and its subsidiaries, the Hawaii Electric Light Company and Maui Electric Company, submitted testimony in opposition of this measure.

There has been significant controversy and public debate on the issue of underground versus overhead placement of high-voltage electric lines. Proponents of undergrounding argue that overhead high-voltage lines pose health and safety risks and destroy the islands' visual and natural beauty. Arguments in favor of overhead construction are based upon the significantly higher costs of placing lines underground as opposed to overhead.

Your Committee finds that the factors contained in this bill, as received, to determine whether the PUC may authorize the placement of the electric transmission lines above ground, may be too narrow.

Upon careful consideration, your Committee has amended this bill by replacing its contents with the language of H.B. No. 2239, HD 2, which earlier passed the House. As amended, this bill requires the PUC to consider additional factors in making its determination to allow a public utility to place, construct, erect, or otherwise allow the construction of a new 138KV or greater high-voltage electric transmission system.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1954, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1954, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tom and Yoshinaga.

SCRep. 1249 Consumer Protection and Commerce and Judiciary on S.B. No. 1535

The purpose of this bill is to amend various provisions of the Insurance Code dealing with the filing of reports.

Your Committees received testimony in support of this measure from the Judiciary and the Department of Commerce and Consumer Affairs.

Upon further consideration, your Committees have amended this measure by deleting its substance and inserting the provisions of H.B. No. 1901, HD 2, with the exception of minor technical amendments, which earlier passed the House. As amended, this measure would:

- (1) Enable the Insurance Division (Division) to cover costs relating to responding to legal summons by increasing the fee for service on the commissioner from \$7.50 to \$12;
- (2) Delete the requirement that each insurer file annual and quarterly statements with the National Association of Insurance Commissioners (NAIC) and replace it with a requirement to file annual statement convention blanks and any additional filings prescribed by the commissioner with NAIC;
- (3) Encourage timely filing of reports by establishing a penalty for delinquent filings of annual statement convention blanks or additional required filings;
- (4) Implement NAIC accreditation team recommendations by requiring that audits and financial statements required to be filed by domestic insurers be prepared in accordance with NAIC practices and procedures;
- (5) Remove obsolete provisions by deleting the unearned premium reserve table, requiring the use of a pro rata basis instead;
- (6) Effective July 1, 1998, ease the Division's review without compromising regulatory oversight by changing the payment of the Drivers Education Fund Underwriters Fee from quarterly to annually;
- (7) Amend the requirements for submission of a statement of financial condition;

- (8) Amend an error in the definition of "liability" in the insurance code chapter on risk retention; and
- (9) Specify that the Insurance Commissioner may require certain types of information of a purchasing group in the insurance code chapter on risk retention.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1535, SD 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1535, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Yoshinaga and Pendleton.

SCRep. 1250 Consumer Protection and Commerce and Judiciary on S.B. No. 1486

The purpose of this bill is to:

- (1) Eliminate the public hearing requirement for all insurance rate filings except for workers' compensation rate filings; and
- (2) Allow consumers to obtain negotiated coverages.

The Department of Commerce and Consumer Affairs and State Farm Mutual Automobile Insurance Company submitted testimony in support of this measure.

Your Committees find that the current public hearing requirement places a significant financial burden on the State, while having a negligible impact on the rate filing process, due to poor public participation. Accordingly, your Committees find that it is consistent with the public interest to eliminate the public hearing requirement except for specified rate filings.

Your Committees have made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1486, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1486, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Hiraki, Yoshinaga and Pendleton.

SCRep. 1251 Consumer Protection and Commerce and Judiciary on S.B. No. 1032

The purpose of this bill is to protect people from unskilled, untrained, and ill-prepared marriage and family therapists by establishing standards of education, qualifications, and experience for professionals representing themselves as marriage and family therapists.

Supportive testimony was received from Keolumana United Methodist Church, Spiritual Life Center, Samaritan Counseling Center of Hawaii, ADHD Resource Center of Hawaii, Inc., Aiea United Methodist Church, Comprehensive Counseling Services, Sisters of St. Joseph Carondelet, P.A.R.E.N.T.S., St. Michael and All Angels' Episcopal Church, the American Association of Retired Persons, Holy Trinity Church, Upcountry Counseling Center, Hope Chapel, Kaneohe, the Alzheimer's Association, Hawaii Island Chapter, the Hawaii State Teachers Association, Kauai Chapter, and numerous individuals. The Department of Commerce and Consumer Affairs and the Hawaii Psychological Association submitted comments on this measure.

Your Committees believe that individuals who represent themselves as marriage and family therapists must be adequately trained and certified through the credentialing process of a professional association with high standards. Therefore, persons would be restricted from representing themselves as marriage and family therapists unless they meet the qualifications for licensure as set forth in this bill. However, this bill does not prevent other qualified persons from practicing marriage and family therapy. Thus, members of other licensed or regulated mental health professions, members of the clergy, and Ho'oponopono practitioners would be able to provide marriage or family counseling services appropriate to their training, philosophy, professional ethics, and expertise.

Upon careful consideration, your Committees have amended this measure by:

- (1) Clarifying that licenses shall be renewed triennially on or ninety days before June 30;
- (2) Clarifying that therapists are not prohibited from testifying in a custody proceeding whether or not the custody proceeding is part of a divorce proceeding; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Consumer Protection and Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1032, SD 2, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1032, SD 2, HD 1.

Signed by all members of the Committees except Representatives Hiraki, Jones, Tom, Yamane, Yoshinaga, Kawanakoa and Thielen.

SCRep. 1252 Higher Education and Education on S.B. No. 1718

The purpose of this bill is to authorize the Department of Education and the University of Hawaii to enter into and renew long-term service contracts.

Testimony in support of the bill was received from the Department of Education and the University of Hawaii. The State Procurement Office recommended that the bill be deferred.

Your Committees have amended this bill by deleting its contents and replacing it with a measure that would exempt design-build contracts for the construction of public school facilities from the procurement code requirement that departments or establishments cannot expend or be allowed to expend any sums or incur an obligations in excess of an allotment.

As affirmed by the records of votes of the members of your Committees on Higher Education and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1718, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1718, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki, Santiago, Takamine and Yonamine.

SCRep. 1253 Transportation on S.B. No. 447

The purpose of this bill is to require state and county agencies responsible for roadside vegetation maintenance to develop and implement an integrated vegetation management strategy to minimize the risk of herbicide use in roadside maintenance.

The Department of Transportation, the Department of Health, and the Sierra Club, Hawaii Chapter, supported this measure.

The Department of Public Works of the City and County of Honolulu and an individual commented on this measure.

Concerns were raised that if the Legislature intends to mandate the counties to carry out additional responsibilities, appropriate funding should be made available for the counties to do so. Accordingly, your Committee has amended this measure by:

- (1) Requiring only state agencies responsible for roadside vegetation maintenance to develop and implement integrated vegetation management strategy programs to minimize the use of herbicides; and
- (2) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 447, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 447, SD 1, HD 2.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1254 Transportation on S.B. No. 1160

The purpose of this bill, as received by your Committee on Transportation, is to require the Department of Transportation to adopt rules for the registration of electric vehicles, for which special license plates are to be issued. This bill also provides incentives to encourage the purchase and use of electric vehicles.

Your Committee finds it desirable for the State to reduce its dependency on imported oil for the operation of motor vehicles. Your Committee further finds that electric vehicles will lessen the State's dependence on imported petroleum products, and will be beneficial in preserving air quality.

This bill will support the development and usage of electric vehicles within the State by encouraging consumer acceptance of an alternative for conventional internal combustion engine-powered vehicles.

Testimonies in support of this bill were heard from the Department of Transportation; the Department of Business, Economic Development, and Tourism; the Electric Vehicle Association of Hawaii; the High Technology Development Corporation; and the Hawaiian Electric Company, Inc.

Your Committee has amended this bill by limiting the years of exemption from registration fees from ten years to four years; and by requiring a Department of Transportation review of the incentives program every two years.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1160, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1160, SD 1, HD 2.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1255 Transportation on S.B. No. 632

The purpose of this bill is to establish a three-year demonstration project in selected areas on county highways to provide for the implementation of photo radar and photo red light systems to improve traffic enforcement.

Your Committee finds that traffic violations in Hawaii have become intolerable, particularly the offenses of speeding and running red lights. Both of these violations needlessly endanger the lives of residents and compound the already hazardous conditions for pedestrians and motorists. Equipment such as photo radar and photo red light systems have worked effectively for over twenty years in police departments around the world, including California, Oregon, Washington, Arizona, Michigan, New York, Florida, Canada, Europe and Australia. The photo radar system is a unit that mounts in a sport utility vehicle or van that detects, photographs, and records information on speeders. The photo radar system is capable of capturing the driver's face, and front and back license plates.

This bill proposes to implement a photo red light system at intersections where red light violations are a major cause of accidents. When a vehicle enters the intersection against a red light, the camera takes a telephoto color picture of the rear of the car as it rolls over the sensors, capturing the rear license plate as evidence. Violators receive the evidence of the violation and a citation and have the option of paying the violation fee or appealing in traffic court.

Outside contractors administer the projects, allowing for law enforcement officers to concentrate on other areas of public safety. Violation fees have virtually paid for the two projects in the states and countries in which the equipment is being used.

In addition, this bill increases fines for violations to offset costs paid to a private contractor for operating the two systems; allows the county to contract with an appropriate provider of these systems pursuant to the public procurement laws; permits the contractor to have access to motor vehicle records to implement the systems; allows the contractor to issue citations or summonses by mail; and appropriates unspecified sums to the Honolulu Police Department and the Traffic Violations Bureau to establish and carry out the purposes of the demonstration project.

Testimony submitted by the Department of the Judiciary and the Attorney General's Office of Information Practices expressed some concerns and offered suggested amendments. Testimony in favor of the bill was heard from the Police Department of Honolulu, Chamber of Commerce of Hawaii, Department of Transportation and the Downtown Neighborhood Board. Testimony in opposition to this bill was heard from Moses Realty and a private citizen.

Upon further consideration, your Committee has amended this bill by:

- (1) Limiting the photo radar system's use to daytime;
- (2) Restricting the issuance of speeding violations to vehicles traveling in excess of fifteen miles per hour;
- (3) Amending the penalties and procedural requirements to make this Act consistent with current laws;
- (4) Adding language to section fourteen to clarify that the private contractors may only use the personal and confidential data obtained from motor vehicle records for the purposes of implementing this Act;
- (5) Adding a subsection (g) to section fourteen directing the State Department of Accounting and General Services to create an account to divert money from the revenues received from the fines obtained by enactment of this bill to offset the private contractor's costs to operate the project;
- (6) Amending the required submittal of the final report from the year 2000 to 2001; and
- (7) Making technical, nonsubstantive amendments for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 632, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 632, SD 2, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1256 Health on S.B. No. 135

The purpose of this bill is to define the practice of optometry to include the diagnosis, treatment, and management of eye disease; the use and prescription of topically applied pharmaceutical agents; and the removal of superficial foreign bodies from the eye and eyelids. This bill also repeals Section 459-15, Hawaii Revised Statutes, which lists the topical ocular pharmaceutical agents optometrists are currently allowed to use and prescribe. This bill also changes the effective date of Act 292, Session Laws of Hawaii (SLH) 1996, from July 1, 1999, to July 1, 1997.

Your Committee received a considerable amount of testimony in support of this measure, including testimony from the Board of Examiners in Optometry, the Hawaii Optometric Association, and numerous individuals. Your Committee also received testimony in opposition to this measure, including testimony from the Hawaii Medical Association. Testimony also was received which supported this bill, with reservations, including testimony from The Hawaii Ophthalmological Society.

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 135, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 135, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Saiki, Stegmaier, Pendleton and Whalen.

SCRep. 1257 Health on S.B. No. 512

The purpose of this bill is to authorize temporary licenses for out-of-state physicians who come to Hawaii to cover the practice of Hawaii-licensed physicians who take time off from their practice for vacation, illness, or training.

This bill also clarifies provisions authorizing consultation of Hawaii-licensed physicians with out-of-state physicians.

Saint Francis Medical Center and a concerned resident testified in support of the bill. The Department of Commerce and Consumer Affairs (DCCA) testified in support of the intent of this measure and suggested amendments. The Board of Medical Examiners testified against the bill stating that there are enough physicians in the state able to cover another physician's practice. It also testified against one of DCCA's suggested amendments as not needed.

Upon careful consideration, your Committee has amended the bill by:

- (1) Limiting the locum tenens temporary license to situations brought about by training only, not vacation or illness;
- (2) Adding the amendments suggested by DCCA, which would allow hospitals and clinics to sponsor out-of-state physician specialists to temporarily practice at their facility to fill a shortage in a specific medical specialty or subspecialty. This is particularly necessary in cases of highly specialized procedures; and
- (3) Making technical, nonsubstantive amendments for style and clarity.

This bill will enable Hawaii physicians to go to other states or countries to continue their training. Such advancement in medical capabilities will contribute greatly to Hawaii's standing as the "Health State" and further the effort to make Hawaii the premier health center in the Pacific. While your Committee agrees that there is a need for such temporary licenses, your Committee is concerned that, even with the limited authorization provided by this measure, abuse may occur. To prevent abuse, provisions of this bill should be interpreted narrowly to meet the combined needs of training and patient coverage.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 512, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 512, SD 2, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1258 Health on S.B. No. 1498

The purpose of this bill is to:

- (1) Require applicants for an acupuncture license to graduate from an acupuncture school that is accredited by a government agency or recognized as a candidate for accreditation; and
- (2) Delete outdated and unnecessary requirements.

The State Board of Acupuncture (Board) submitted testimony in support of this measure and suggested amendments.

Your Committee has adopted the recommendations of the Board and has amended this bill by deleting the option for clinical training to be earned through tutorialship under a licensed acupuncture practitioner. As amended by your Committee, the clinical training must be completed in an accredited acupuncture school.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1498, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1498, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1259 Health and Human Services and Housing on S.B. No. 944

The purpose of this bill is to create an Early Intervention Special Fund to enhance early intervention services for infants and toddlers with special needs by maximizing federal reimbursements and facilitating private contributions.

An overwhelming number of state agencies, community organizations, and concerned individuals submitted testimony in support of this measure but suggested that a Trust Fund would be the preferred vehicle to the Special Fund.

The Department of Health (DOH) and the Department of Human Services supported the intent of this measure, but expressed their preference for the language of S.B. No. 1591/H.B. No. 1848, the administrative bill. Your Committees received opposing testimony from the Department of Budget and Finance.

Your Committees find that research has shown that early intervention is cost-effective and can help to maximize the lifetime potential of the growing child. The timeliness of intervention in the first three years of life is critically important and can be most effective during this early formative period. The support that families receive can make all the difference in the life of the child and the child's family. In addition, long-term costs to the public sector can be relieved if the appropriate support is provided to children when they need it most--at the beginning of their lives.

Your Committees further find that the establishment of such a fund would maximize federal resources and provide a conduit for private funds as well, such as individual and corporate contributions and foundation grants. Your Committees have noted that there has been overwhelming support of this measure with the amendment to establish a Trust Fund instead of a Special Fund for the purpose of reinvesting federal reimbursements from the State's appropriation to fund services for children with special needs and their families.

After careful consideration, your Committees have amended this measure by:

- (1) Establishing an Early Intervention Special Fund (Special Fund) and an Early Intervention Trust Fund (Trust Fund) to enhance early intervention services to infants and toddlers with special needs;
- (2) Specifying that legislative appropriations and federal reimbursements will be deposited into the Special Fund;
- (3) Specifying that private donations and federal reimbursements for eligible early intervention services funded by private donations will be deposited into the Trust Fund;
- (4) Appropriating out of the Special Fund the sum of \$9,600,000 for fiscal year 1997-1998 and the sum of \$14,400,000 for fiscal year 1998-1999 for early intervention services for infants and toddlers with special needs;
- (5) Appropriating out of the Trust Fund the sum of \$2,000,000 for fiscal year 1997-1998 and the sum of \$3,000,000 for fiscal year 1998-1999 for early intervention services for infants and toddlers with special needs;
- (6) Designating DOH to expend these funds; and
- (7) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the records of votes of the members of your Committees on Health and Human Services and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 944, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 944, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Arakaki and Pendleton.

SCRep. 1260 Energy and Environmental Protection on S.B. No. 1575

The purpose of this bill is to correct an inadvertent error in the air pollution control law by clarifying that violations of vehicular smoke emission rules and open burning control rules are considered violations subject to the grades and classes of offenses under the Hawaii Penal Code (section 701-107, Hawaii Revised Statutes).

The Department of Health testified in support of this measure.

Your Committee finds that this reference to section 701-107, HRS, had once been a part of chapter 342B, HRS. However, in 1992, when chapter 342B was repealed and reenacted, this language was omitted.

Passage of this measure would avoid the misinterpretation that noncompliance with these rules are criminal misdemeanors.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1575 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Hamakawa, Kanohe and Thielen.

SCRep. 1261 Energy and Environmental Protection on S.B. No. 1581

The purpose of this bill is to allow an eligible party to undertake voluntary response action to expedite the cleanup of contaminated properties and to return the properties to productive and beneficial use.

Testimony in support of this bill was received from the Department of Health (DOH), the Chamber of Commerce of Hawaii, the Bank of Hawaii, and the Myers Corporation. The Sierra Club also submitted testimony with suggested amendments. Testimony in opposition to the bill was received from Hawaii's Thousand Friends.

Your Committee finds that current liability provisions hinder developers, lenders, and other prospective purchasers who want to clean up and redevelop contaminated properties.

Your Committee also finds that although there are general liability exemptions for lenders under the Hawaii Environmental Response Law, chapter 128D, Hawaii Revised Statutes (HRS), there is no clear guidance as to the conduct in which lenders may engage without assuming liability for clean up.

Your Committee believes that this bill will facilitate the cleanup of contaminated property, encourage redevelopment of older commercial areas of the State, and stimulate the State's economy.

Your Committee notes that there was discussion regarding an amendment to clarify the definition of "prospective purchaser". The Finance Committee may consider amending the definition of "prospective purchaser" in section 128D-C of this bill to mean "a prospective owner, operator, tenant, developer, lender, or any other party who would not otherwise be liable under section 128D-6, prior to conducting a voluntary response action" as suggested by the Myers Corporation.

Upon further consideration, your Committee has amended this bill by:

- (1) Amending the definition of "owner" or "operator" in section 128D-1, HRS, to conform to federal law regarding lender liability;
- (2) Placing the list of factors that the DOH considers in reviewing an application into the list of factors in section 128D-F(a), pertaining to denial of application;
- (3) Requiring that a copy of the letter of completion be sent to the county agency that issues building permits; and
- (4) Making technical, nonsubstantive changes for purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1581, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1581, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Meyer.

SCRep. 1262 Education on S.B. No. 26

The purpose of this bill is to clarify the responsibility of parents and guardians for minors' compliance with the Student Code of Conduct adopted by the Board of Education.

The Superintendent of Education submitted testimony in support of this bill. Testimony in opposition to this bill was received from a concerned individual.

Your Committee finds that parents and guardians should be actively involved in all aspects of their children's education, and this bill requires that parents and guardians be informed of their responsibility for their children's compliance with the Student Code of Conduct.

Your Committee has amended this bill to specify destruction of school property by a student as a reason to subject parents and guardians to proceedings under Chapter 302A, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 26, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 26, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1263 Education on S.B. No. 757

The purpose of this bill is to allow student-centered schools to select which services the schools will obtain through the Department of Education and which services the schools will obtain through vendors of their own choosing.

In addition, this bill:

- (1) Makes the Department of Budget and Finance responsible for the coordination and implementation of a student-centered school's allocation of state general funds; and
- (2) Requires student-centered schools to receive their per pupil allotments from the Department of Education by August 15, less the costs of the services the schools will purchase through state agencies.

Your Committee received testimony in support of this bill from Waiālae Elementary School, the Hawaii State Teachers Association, and a parent. Testimony in opposition to this bill was received from the Department of Education and the Department of Budget and Finance.

Your Committee has amended this bill by:

- (1) Making the Department of Budget and Finance responsible for only the implementation of a student-centered school's allocation of state general funds;
- (2) Requiring student-centered schools to receive their per pupil allotments from the Department of Budget and Finance rather than the Department of Education; and
- (3) Making technical nonsubstantive changes for purposes of clarity and style.

Your Committee finds that this bill resolves, once and for all, the question of whether or not student-centered schools are entitled to receive an allocation of state general funds for the statewide, centralized administrative services currently provided by the Department of Education. In clearly giving the schools a choice, this measure will significantly promote the vision of the substantially independent student-centered school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 757, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 757, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1264 Education on S.B. No. 1574

The purpose of this bill is to:

- (1) Allow for the extension of the provisional admission to school for children who have not completed the required immunizations of the Department of Health (DOH);
- (2) Require the school administrator, rather than the DOH, to notify the parent or guardian that the child will not be admitted to school if the required immunizations or physical examination is not completed within thirty days of the notice;
- (3) Clarify the authority of school health aides regarding the administration of medication, including allowing school health aides to administer medications in emergency situations;
- (4) Clarify quality assurance standards for HIV testing;
- (5) Allow DOH to centralize its roster of exemptions from immunizations or vaccinations; and
- (6) Repeal the law relating to the program aiding in the care and treatment of chronic renal disease.

Supporting testimony was submitted by DOH. The Department of Education submitted testimony in support of the intent of this bill. Comments were submitted by the Hawaii Government Employees Association.

Your Committee has amended this bill by making:

- (1) A corresponding amendment to chapter 457, Hawaii Revised Statutes, (Nurse Practices Act) for consistency; and
- (2) Technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1574, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 1574, SD 1, HD 2.

Signed by all members of the Committee except Representatives Takamine, Tarnas and Yonamine.

SCRep. 1265 Education on S.B. No. 1631

The purpose of this bill is to authorize any state agency to contract with a qualifying private, nonprofit corporation to coordinate policy, disburse public funds, and implement community plans related to the provision of early childhood education and care services.

Among other things, the corporation would:

- (1) Develop policy recommendations on a coordinated early childhood education and care system; and
- (2) Oversee the establishment of a community council in each county, to be responsible for a community plan to provide early childhood education and care services to children and families in designated service delivery areas.

The Office of the Governor, the Department of Health, the Department of Human Services, the Office of Hawaiian Affairs, the Junior League of Honolulu, Inc., the Executive Director and Board of Good Beginnings Alliance, and the Maui County Early Childhood Resource Coordinator submitted testimony supporting this measure. Testimony in support of the intent of the measure was submitted by the Department of Education.

Your Committee recognizes that there is need for the systematic coordination, planning, and policy development of early childhood education and care programs in the State. A well-coordinated plan between the private and public sectors and the community will assist in the development of early childhood education and care services, which are essential to the well-being of children and families.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1631, SD 2, HD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Takamine, Tarnas and Yonamine.

SCRep. 1266 Education on S.B. No. 1678

The purpose of this bill is to require the Department of Education to develop a master plan and strategies for the acquisition and use of technology in the public school system.

Additionally, this measure provides the Department with the necessary financial support system for the acquisition and use of the technology by creating a state educational technology special fund to receive appropriations from the state educational facilities improvement special fund, matching funds, and in-kind donations.

Furthermore, this bill appropriates funds to upgrade the wide area network for instructional and administrative network use, implement an integrated human resources system, upgrade the Student Information System software, maintain the data warehouse and educational processes systems, expand the school local area network video and voice network connection capabilities, and expand distance learning/electronic schools.

Testimony in support of this measure was received from the Department of Education, a public school principal, and a private individual. Testimony in opposition was received from the Department of Budget and Finance.

Your Committee believes that the use of technology in public education holds unlimited and undefined potential for classroom use. The great and enormous value of teaching and familiarizing students with technology is unquestioned. Without such learning Hawaii's students in the next century will suffer from a twenty-first century type of illiteracy. However, your Committee also believes that before the public schools can fully incorporate every technological innovation or state-of-the-art development into the classroom and the educational system, the public schools must clearly envision the extent, scope, and manner of use of that technology. Otherwise, an immediate and whole scale incorporation will result in inefficiency and waste.

Your Committee has therefore amended this bill by deleting the appropriations relating to the wide area network, integrated human resources system, Student Information System software, data warehouse and educational processes systems, school local area network video and voice network connection capabilities, and distance learning/electronic schools.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1678, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1678, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1267 Water and Land Use on S.B. No. 45

The purpose of this bill is to remove the acreage requirements imposed on the Department of Land and Natural Resources (DLNR) for setting aside or acquiring land to establish veterans cemeteries on the Neighbor Islands.

The Office of Veterans Services and the Veterans of Foreign Wars testified in support of this bill. The DLNR had no objections to this measure.

Currently, DLNR is required to set aside or acquire specific acreage of land as follows: five acres on the island of Hawaii; four acres on Maui; three acres on Kauai; and one acre each on Molokai and Lanai.

The testifiers indicated that the acreage requirement is not necessary since the veteran cemeteries already meet or exceed these acreages.

There was some concern that passage of this bill may be misinterpreted to mean that there would be no criterion to the expansion of veterans cemeteries. Your Committee expects any proposed expansion to be based on need and to adhere to all requirements for public review.

As affirmed by the record of votes of the members of your Committee on Water and Land Use that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 45, SD 1, and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Yoshinaga and Meyer.

SCRep. 1268 Labor and Public Employment on S.B. No. 1293

The purpose of this bill is to authorize the Director of Human Resources Development (Director) to:

- (1) Conduct demonstration projects to determine whether a change in human resource management procedures, methods, policies, or statutes would improve State human resource management;
- (2) Disqualify from appointment in the civil service for a specified period of time any person who has:
 - (A) Made false statements, committed deception, or used unauthorized or improper assistance in connection with a civil service examination; or
 - (B) Committed fraud in connection with any application or examination.

The Department of Human Resources Development submitted testimony in support of this bill.

Your Committee finds that allowing the Director to develop new approaches to various aspects of the civil service system will increase government efficiency and effectiveness.

Your Committee also finds that it is appropriate to bar an applicant from State employment for making false statements, committing deception or fraud, or cheating, in order to protect the integrity of the civil service employment process.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1293, SD 1, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1269 Labor and Public Employment on S.B. No. 257

The purpose of this bill is to protect the financial integrity of the Employees' Retirement System (ERS) by:

- (1) Changing the method of computing the ERS's unfunded liability from the current Frozen Initial Liability to the Entry Age Normal method;
- (2) Deleting the requirement that earnings shortfalls below the current 8 percent threshold shall be made up by the employer;
- (3) Eliminating the excess investment earnings provision that requires that excess earnings above the actuarial assumption of 8 percent will reduce the employers' appropriation requirements; and
- (4) Providing a two-year drop dead provision.

Supportive testimony was received from the Department of Budget and Finance and the Hawaii State Teachers Association. The Hawaii State Teachers Association - Retired submitted testimony in support of the measure with the exception of the provision allowing the employer to continue skimming excess earnings. The Coalition of Hawaii State/Counties Retirees, Inc. and the Hawaii Government Employees Association submitted testimony favoring the passage of S.B. No. 257, SD 1. The Administrator of the ERS submitted comments on this measure urging the repeal of the "drop dead" provision and the adoption of S.B. No. 257, SD 1.

Your Committee understands the importance of addressing the ERS' \$1.6 billion unfunded liability to ensure its solvency.

Upon careful consideration, your Committee has amended this measure by deleting the two-year drop dead provision to allow the ERS to retain its investment earnings, liquidate its unfunded liability, and become fully funded.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 257, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 257, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Hiraki.

SCRep. 1270 Education on S.B. No. 1359

The purpose of this bill is to allow the Department of Education to establish business enterprises in schools to enable students to experience entrepreneurship first hand.

Your Committee received testimony in favor of the measure from the Superintendent of Education and the President of the Hawaii State Teachers Association. Testimony in opposition to the measure was received from a private individual.

Your Committee believes that students will derive many benefits, both academic and otherwise, from the operation of these business enterprises. Far more than such basic ideas about the connection between earnings and work, the actual operation of enterprises provides a wider range of learning experiences than is often available to people working as employees, particularly in entry level jobs.

Upon further consideration, however, your Committee has amended this bill by repealing the provision which allows profits from agricultural, industrial, and enterprising pursuits to be distributed among the pupils actually engaged in the pursuits as well as to be used for purchase of school equipment and material. Your Committee finds that net profits should be limited only to use by the school for purchase of equipment, material, and other items of general benefit for all students in that school.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1359, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1359, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tarnas and Yonamine.

SCRep. 1271 Consumer Protection and Commerce on S.B. No. 138

The purpose of this bill is to increase access to mental health and substance abuse treatment by allowing advanced practice registered nurses to receive insurance reimbursements when providing treatment for mental illness and substance abuse.

The Mental Health Association in Hawaii, the Hawaii Nurses' Association, the Mental Health Community Coalition, the National Association of Social Workers, and an individual submitted testimony in support of this measure. The Department of Health supported passage of this measure with the inclusion of recommended amendments. The Hawaii Psychological Association submitted testimony in support of the intent of this measure. Opposing testimony was submitted by the Hawaii Psychiatric Medical Association.

Your Committee finds that it has been a long-standing practice to utilize nurses as mental health and substance abuse treatment providers. The federal government has recognized licensed practitioners, other than psychiatrists and psychologists, as appropriate and effective providers of mental health treatment. Your Committee believes that the addition of advanced practice registered nurses will lead to improved access to mental health treatment in rural areas.

Upon careful consideration, your Committee has amended this measure by replacing its contents with the language of H.B. No. 650, HD 3, which earlier passed the House. As amended, this bill:

- (1) Deletes the definition of "advanced practice registered nurse";
- (2) Clarifies that the amendments to the various definitions does not imply a broadening of the scope of or granting of prescriptive authority privileges, except as otherwise allowed by statute;
- (3) Allows individualized treatment plans to be approved by a state-recognized advance practice registered nurse; provided that the patient is not already under the care or treatment of a state-licensed physician or psychologist for a pre-existing mental or physical illness or alcohol or drug dependence; and
- (4) Makes numerous technical and stylistic amendments for purposes of consistency.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 138, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 138, SD 1, HD 2.

Signed by all members of the Committee except Representatives Saiki, Tom, Yoshinaga, Aiona and Kawanakoa.

SCRep. 1272 Consumer Protection and Commerce on S.B. No. 656

The purpose of this bill is to help increase patient accessibility to much needed mental health and substance abuse treatment, especially in rural and remote areas of the State.

Specifically, the bill proposes to accomplish this by including health insurance benefits for mental health and substance abuse treatment services provided by certain state-licensed social workers.

The Department of Health, the University of Hawaii School of Social Work, the National Association of Social Workers, the Mental Health Community Coalition, the Hawaii Nurses' Association, the Catholic Charities Family Services, and numerous individuals testified in support of this measure. The Hawaii Psychological Association testified in support of the intent of the measure. The Hawaii Psychiatric Medical Association testified against the bill.

Testimony indicates that using clinical social workers as mental health and substance abuse treatment providers is a long-standing practice. In addition to psychiatrists and psychologists, the federal government has long recognized other licensed practitioners as appropriate and effective providers of mental health treatment services. The results of many studies have demonstrated the advantages of having clinical social workers included in these benefits, and reveal that the addition of these licensed professionals leads to increased access to mental health treatment services in rural areas.

Your Committee believes that increased access to qualified professionals is urgently needed as the State implements the Felix v. Waihee plan and seeks to have child, adolescent, and adult mental health services available statewide.

After careful consideration, your Committee has amended this bill by deleting its contents and replacing it with the contents of H.B. No. 651, HD3, which has similar provisions. The substantive differences in the latter include:

- (1) Deletion of references to osteopaths; and
- (2) Addition of a statement that there is no implied grant of prescriptive authority or privileges, or broadening of the scope of authority or privileges, for social workers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 656, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 656, SD 1, HD 2.

Signed by all members of the Committee except Representatives Saiki, Tom, Yoshinaga, Aiona and Kawanakoa.

SCRep. 1273 Consumer Protection and Commerce on S.B. No. 871

The purpose of the bill is to expedite and facilitate the state permit approval process by:

- (1) Establishing a task force within the Department of Business, Economic Development, and Tourism (DBEDT) to, among other things, examine the consolidated application process, identify necessary permits and approvals, and make recommendations to expedite and facilitate the permit approval process within each state agency;
- (2) Designating DBEDT as the lead agency to administer and facilitate the consolidated application procedure for any project that requires both county permit applications and state agency approval; and
- (3) Establishing requirements for the consolidated application procedure.

Testimony in support of the bill was received from DBEDT, the Board of Land and Natural Resources, and the Land Use Research Foundation of Hawaii. The following agencies or organizations testified in support of the bill's intent to streamline the state permitting process, but offered additional comments, concerns, or amendments: Department of Health, American Institute of Architects/Hawaii State Council, and Hawaii Operating Engineers Industry Stabilization Fund. The Sierra Club, Hawai'i Chapter, testified in opposition to the measure.

A vigorous construction industry is essential to the State's economy, and the establishment of a task force to assist DBEDT in streamlining the state permit approval process will help to stimulate and facilitate construction activity in this State.

Concerns were brought to your Committee's attention that the bill:

- (1) By requiring that the counties participate in the consolidated application process:
 - (a) Violates the Article VIII, Section 5 of the Hawaii State Constitution because there is no requirement that the State share in the increased costs to the counties resulting therefrom; and
 - (b) Is inconsistent with section 201-62(a), Hawaii Revised Statutes, which only authorizes and encourages the counties' participation;
- (3) Is unclear as to who will serve in the place of those task force members who are state agency directors, after the end of their two-year terms; and
- (4) Discourages use of the "permit by rule" procedure by requiring that a licensed design professional certify that plans and specifications comply with state rules.

Accordingly, and after careful consideration, your Committee has amended the bill by:

- (1) Establishing four-year terms for all task force members;
- (2) Providing that counties agreeing to participate in the consolidated application process are authorized to advise permit applicants of the consolidated application procedure;
- (3) Requiring that a licensed design professional submit a statement that plans and specifications are in compliance with state rules for the "permit by rule" process; and
- (4) Removing from the task force the executive director of the Commission On Persons With Disabilities and adding to the task force representatives of labor, construction, and building trade labor organizations.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 871, SD 2, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 871, SD 2, HD 2.

Signed by all members of the Committee except Representatives Saiki, Tom, Yoshinaga, Aiona and Kawananakoa.

SCRep. 1274 Transportation on S.B. No. 1740

The purpose of this bill, as received by your Committee on Transportation, is to provide safety for workers in highway construction zones.

Your Committee finds that the safety of highway construction workers is endangered by speeding motorists. Your Committee further finds that by posting and enforcing speed limits, and by assessing fines, that loss of lives and physical injuries will be reduced.

This bill proposes to fine violators not less than \$750 nor more than \$1,000, without possibility of waiver, reduction, or suspension of the fine.

Testimonies in support of this measure were heard from the Department of Transportation, the City and County of Honolulu, the Construction Industry Legislative Organization, LTD., the General Contractors Association of Hawaii, Grace Pacific Corporation, Hawaiian Bitumuls & Paving Company, Hawaiian Dredging Construction Company, James W. Glover,

Ltd., and St. Paul/Seaboard, Honolulu. King and Neel testified in support of this bill, but recommended that it be extended to cover all industries.

Your Committee has amended this bill by deleting its contents, and substituting the provisions of House Bill No. 1677 HD 1, particularly to leave the amount of the fine up to the Committee on Judiciary.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1740, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Case and Suzuki.

SCRep. 1275 Labor and Public Employment on S.B. No. 727

The purpose of this bill is to provide health insurance coverage to:

- (1) Unmarried children of public employees, under the age of nineteen;
- (2) Unmarried full-time student dependents of public employees, under the age of twenty-four; and
- (3) Unmarried dependents of public employees, regardless of age, who are incapable of self-support due to a mental or physical incapacity which existed prior to reaching the age of nineteen.

The Hawaii State Teachers Association, the Hawaii State Teachers Association - Retired, HGEA-AFSCME Local 152, AFL-CIO, the University of Hawaii Professional Assembly, and the United Public Workers, AFSCME Local 646, AFL-CIO submitted testimony in support of this bill. The Department of Budget and Finance submitted testimony in opposition to this bill. The Administrator of the Hawaii Public Employees Health Fund submitted comments on this bill.

Your Committee finds that the Public Employees Health Fund's plans should provide equitable insurance coverage for state and county employee- and retiree-beneficiaries.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 727, SD 2, and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee.

SCRep. 1276 Health on S.B. No. 1109

The purpose of this bill is to amend sections 321-11, 334-1, and 334-103, Hawaii Revised Statutes by:

- (1) Adding "therapeutic living programs" under the general subjects of health regulation under the responsibility of the Department of Health (DOH);
- (2) Adding a definition for the term "therapeutic living program"; and
- (3) Eliminating the "unsupervised, independent living arrangements" program element of the community residential treatment system.

Your Committee received testimony in support of this measure from the Director of DOH.

Your Committee has amended this bill by making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1109, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1109, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1277 Health on S.B. No. 1520

The purpose of this bill is to enable certified dental hygienists to administer block anesthesia under the direct supervision of a dentist.

Testimony in support of the bill was submitted by the Hawaii Dental Hygienists' Association, the Board of Dental Examiners, and two individuals.

Your Committee finds that dental hygienists have been administering local anesthesia in Hawaii for 12 years with a record of no complaints. Documentation is available from 17 of the 22 states that allow dental hygienists to administer local anesthesia. In the 17 states, no complaints have been filed against them regarding their administration of local anesthesia. This bill incrementally expands the services that dental hygienists may perform, with sufficient safeguards for patient safety.

While in support of the bill, the Board of Dental Examiners proposed amendments that would allow certified dental hygienists to administer "intra-oral local anesthesia" in general rather than "infiltration" and "block anesthesia" specifically.

Your Committee agrees with these proposals and has amended the bill accordingly.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1520, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1520, SD 1, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1278 Health on S.B. No. 159

The purpose of this bill is to amend sections 453-5.3 and 453-5.4, Hawaii Revised Statutes, to refer to the "licensure" of physician assistants, rather than "certification".

Testimony in support of this bill was received from the Board of Medical Examiners, Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs, the American Academy of Physician Assistants, the Hawaii Academy of Physician Assistants, the Hawaii State Primary Care Association, the Bay Clinic Community Health Center, and a concerned citizen. No testimony in opposition to this bill was received.

Your Committee believes that the intent of this bill is to provide consistency in referring to the status of physician assistants and not to change the practice of physician assistants.

Upon further consideration, your Committee has amended this bill by making technical, nonsubstantive amendments for the purpose of style and to correct a drafting error.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 159, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 159, HD 1, and be referred to the Committee on Consumer Protection and Commerce.

Signed by all members of the Committee except Representatives Arakaki and Pendleton.

SCRep. 1279 Education on S.B. No. 58

The purpose of this bill is to require, rather than allow, the Department of Education to establish and maintain kindergartens as part of the public school system.

In addition, this bill:

- (1) Repeals the limitation requiring fifteen children in a school zone before establishing a kindergarten;
- (2) Provides that kindergarten attendance is not mandatory;
- (3) Changes the method of determining when a child must have attained the age of five before becoming eligible to attend kindergarten; and
- (4) Requires, rather than allows, the Department to establish procedures and criteria to determine the readiness of children for kindergarten, and to grant exceptions to children who are found to be ready to attend.

Your Committee received testimony in favor of this measure from the Department of Education, but only if certain recommended amendments were incorporated, and from the Hawaii State Teachers Association.

Your Committee agrees with the intent of this bill to require the Department of Education to establish and maintain kindergartens as part of the public school system, removing the fifteen children per school zone limitation, and clarifying that kindergarten attendance is not mandatory. However, your Committee finds that the Department should be afforded greater flexibility in determining entry dates to begin kindergarten, based on the latest research about the connection between the age of young children and their learning capacity.

In addition, your Committee finds that requiring the Department to establish procedures and criteria to determine the readiness of children for kindergarten and to grant exceptions would be problematic, since the costs associated with the evaluation of a large number of children for kindergarten entry could be prohibitive. Moreover, enacting this requirement may increase the number of grievances and litigation, due to the fact that a determination of readiness to attend kindergarten is not a settled issue in the social sciences.

Accordingly, your Committee has amended this bill by:

- (1) Deleting the changes to the dates and calculation of days in determining when a child becomes eligible to attend kindergarten;
- (2) Deleting the requirement that the Department establish procedures and criteria to determine the readiness of children for kindergarten and to grant exceptions to children who are found to be ready to attend; and

- (3) Specifying that no child may attend kindergarten unless the child is at least five years of age "as more specifically determined by the board" of education.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 58, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 58, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1280 Education on S.B. No. 860

The purpose of this bill is to allow the Department of Education to carry over up to five per cent of any appropriation for the portion of the school community service program (EDN 500) relating to adult education until June 30 of the first fiscal year of the next fiscal biennium.

Your Committee received testimony in support of this bill from the Department of Education. Testimony in opposition to this bill was received from the Department of Budget and Finance.

Your Committee finds that the Department of Education is presently allowed to carry over up to five per cent of any appropriation for the school-based budgeting program (EDN 100). Treating community schools for adults on par with grade schools by extending this carry over authority to the adult education program recognizes the fact that the State's obligation to educate its citizenry and promote life-long learning does not end upon graduation from high school, exclusion from school, or exception from compulsory attendance.

Your Committee has amended this bill by adding the contents of S.B. No. 1742, SD 2, which:

- (1) Allows school/community-based management system schools and student-centered schools, beginning with the 1999-2000 school year, to prepare and execute their own budgets with training from the Department of Education;
- (2) Requires the Department of Education to specifically identify the amount the Department is allocating for school lump sum funding in its annual allotment and expenditure plan submitted to the Governor;
- (3) Requires the Department of Education to provide summaries of school-by-school lump sum allotments and department allocated sums with accompanying expenditure requirements in its status report to the Legislature; and
- (4) Requires the Auditor to conduct a review of all school-based budgeting programs (EDN 100) and to submit recommendations to the Legislature concerning which programs should be eliminated or maintained.

Your Committee finds that the intent of Act 168, Session Laws of Hawaii 1995, was to give individual schools the flexibility and autonomy to implement the changes needed to achieve mastery of the State's performance standards. Allowing school/community-based management system schools and student-centered schools to prepare and execute their own budgets, requiring the Department of Education to provide information on lump sum allocations to schools in its annual allotment and expenditure plan to the Governor and its status report to the Legislature, and having the Auditor involved with the review of school-based budgeting programs, will facilitate the intent of Act 168.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 860, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 860, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tarnas and Yonamine.

SCRep. 1281 Labor and Public Employment on S.B. No. 739

The purpose of this bill is to:

- (1) Clarify that the State is the responsible employer for purposes of workers' compensation coverage for students, whether paid or unpaid, who participate in an approved school-to-work program sponsored by the Department of Education or the University of Hawaii; and
- (2) Require the Department of Education and the University of Hawaii to submit biennial reports to the Governor and the Legislature on the cost impacts to the State of providing workers' compensation coverage to student participants in the school-to-work program.

Your Committee received testimony in support of this measure from the Department of Labor and Industrial Relations, the Department of Education, the University of Hawaii, the Hawai'i School-to-Work Opportunities Executive Council, the Hawaii State Teachers Association, and Hawaiian Electric Company.

Your Committee finds that liability and workers' compensation concerns may be a barrier for business participation in work-based learning programs. This bill will encourage greater employer participation and enable more students to benefit from the school-to-work program.

Additionally, your Committee feels that this bill should be entitled: "A Bill for an Act Relating to Technical and Vocational Training."

Your Committee has amended this bill by making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 739, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 739, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Case, Hiraki, Takumi and Marumoto.

SCRep. 1282 Education on S.B. No. 760

The purpose of this bill is to allow groups of six or more teachers to establish schools-within-schools, an alternative education model that includes curriculum and instructional approach; length of school day, week, or year; and site-based management.

The League of Women Voters of Hawaii and a number of public school students testified in favor of this bill. The Hawaii State Teachers Association, the Department of Education, the Department of Budget and Finance, and the Hawaii Government Employees Association commented on the measure.

Your Committee encourages experimentation at the school level. Schools must be given the flexibility that enables teachers, other school staff, students, and parents to work together to create new structures for education. This new cooperative environment can help create an enthusiasm that can be channeled in an organized and constructive fashion.

The schools-within-schools concept is currently being tried at two schools in Hawaii and has proven successful in both instances. This bill will create conditions that will assist in the formation of more schools-within-schools.

Upon further consideration, your Committee has amended this bill by:

- (1) Providing that a core group of six or more teachers may initiate the establishment of, rather than establish, a school-within-a-school;
- (2) Requiring that every school-within-a-school be approved by the school's School/Community-Based Management Council, if the school has one;
- (3) Requiring schools-within-schools to abide by the state laws and rules regarding collective bargaining and procurement;
- (4) Requiring that the implementation plan be approved without objection rather than by three-fifths of the instructional staff members and parents; and
- (5) Requiring the Department to evaluate each school-within-a-school two years rather than four years after establishment.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 760, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 760, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Morihara, Takai, Yonamine, McDermott and Moses.

SCRep. 1283 Education on S.B. No. 1625

The purpose of this bill, as received by your Committee, is to authorize the Board of Education to establish and specify the membership number and quorum requirements of the Library Advisory Commission. The bill also repeals provisions mandating a library advisory commission for each county, and setting the commission membership size.

Your Committee received testimony in support of this bill from the Board of Education.

Your Committee has amended this bill by:

- (1) Inserting the contents of H.B. No. 1729 which was previously passed by the House, and which provides that the Hawaii State Public Library System may assess and charge a delinquency fee when overdue fines are referred to a collection agency for collection; and
- (2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1625, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1625, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.
(Representative McDermott voted no.)

SCRep. 1284 Higher Education on S.B. No. 1683

The purpose of this bill is to facilitate the revitalization of the Hawaiian language by:

- (1) Creating a Hawaiian language college at the University of Hawaii at Hilo; and
- (2) Appropriating funds for its operations.

Testimony in support of the bill was submitted by a number of individuals. The Hawaiian language program of the University of Hawaii at Manoa supported the intent of the bill.

The Office of Hawaiian Affairs submitted testimony in general support of efforts relating to the perpetuation of the Hawaiian language, although this particular measure has not been considered by its board.

In commenting on the bill, the Department of Budget and Finance expressed concerns about the costs to the State.

Several individuals submitted comments on the bill.

Your Committee finds that the language of a people contains the richness of the culture of that people. Without a means of perpetuating the language, the culture will, in large measure, disappear as well. Creating a Hawaiian language college makes it possible for the University of Hawaii to receive federal funding through the Native American Colleges Act. This bill underscores the Legislature's support for the Hawaiian language and the Hawaiian culture.

Furthermore, in a letter to the Chairs of the Senate Ways and Means Committee, dated February 28, 1997, Senator Daniel Inouye expressed his support for a college within the University of Hawaii that would be a focal point for the perpetuation of the native language of Native Hawaiians. If a Hawaiian language college is created, Senator Inouye expressed his commitment to secure federal funding for it.

Upon consideration of the testimony, your Committee has amended the bill by:

- (1) Deleting the State general fund appropriation; and
- (2) Making technical, nonsubstantive revisions for purposes of style and clarity.

While funding has been deleted from the bill for different reasons, your Committee continues to believe that both the University of Hawaii at Hilo and the University of Hawaii at Manoa will require further funding for their Hawaiian language programs.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1683, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1683, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Stegmaier, Takumi, Yonamine and Halford.

SCRep. 1285 Education on S.B. No. 1742

The purpose of this bill is to provide schools with flexibility in the development and execution of their budgets, through school-by-school budgeting, with budget preparation training from the Department of Education.

The bill also:

- (1) Requires the Auditor to review instructional programs (EDN 100 programs) and submit to the Legislature its recommendations for which programs should be eliminated and which retained; and
- (2) Requires the Department of Education to identify the amount allocated for school lump-sum funding and to provide summaries of school-by-school lump-sum allotments and department allocated sums, with accompanying expenditure requirements.

Your Committee received testimony in opposition to the bill from the Department of Budget and Finance and the Department of Education.

Your Committee has amended this bill by:

- (1) Deleting its contents and transferring those provisions to S.B. No. 860, HD 1, which relates to school budgets; and
- (2) Inserting language from H.B. No. 1430, HD 2, authorizing the Department of Education to establish canoe teams in each high school in cooperation with private canoe clubs.

Your Committee finds that canoe paddling is an athletic activity that promotes physical fitness and teamwork, two facets of life that are much needed by students in secondary school. Additionally, canoe paddling provides participating students an opportunity to understand and appreciate one aspect of traditional Hawaiian culture.

Your Committee also finds that several high schools that are eager to establish canoe teams would do so if certain liability protections were instituted. By protecting the Department of Education, private canoe clubs, and volunteers from certain types of liability, this measure, as amended, significantly encourages the development of partnerships between the schools and canoe clubs and will enable the Department to get these partnership programs underway in the near future.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1742, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1742, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Tarnas and Yonamine.

SCRep. 1286 Consumer Protection and Commerce on S.B. No. 1557

The purpose of this bill is to:

- (1) Statutorily establish the Preschool Open Doors Program; and
- (2) Increase the validity of child care licenses and temporary permits to two years.

Supportive testimony was received from the Department of Human Services, the Family Services Center, the Waianae Coast Day Care Centers, Inc., Seagull Schools, Inc., and an individual.

Upon careful consideration, your Committee has amended this measure by:

- (1) Clarifying the requirement of visits and inspections by the Department of Human Services; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

In addition to inspections by the Department of Human Services, perhaps other follow-up inspections such as fire inspections should be mandated. Your Committee respectfully requests the Committee on Finance to consider this requirement.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1557, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 1557, SD 1, HD 2.

Signed by all members of the Committee except Representatives Cachola, Herkes, Tom and Yoshinaga.

SCRep. 1287 Consumer Protection and Commerce on S.B. No. 852

The purposes of the bill are to:

- (1) Establish an annual accommodation fee on time share interests equal to the amount of the general excise tax on the maintenance fee assessment paid by the time share interest owner;
- (2) Require that a condominium project manager or the Board of Directors of a time share association collect the accommodation fee and pay it to the Department of Taxation;
- (3) Exempt from payment of the accommodation fee an owner who has incurred liability for the transient accommodations tax (TAT), provided that if the TAT liability is less than the accommodation fee, the owner shall pay the difference between the accommodation fee and the TAT; and
- (4) Exempt amounts paid for the accommodation fee from the general excise tax.

Testimony in support of the bill was received from the Maui Hotel Association, the Hawaii Hotel Association, and the ILWU Local 142. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure. Testimony in opposition to the bill was received from Dwyer, Imanaka, Schraff, Kudo, Meyer and Fujimoto, the Lifetime in Hawaii Interval Owners Association, a concerned individual, and Pono Kai Resort.

Under current law, a six percent TAT is imposed on gross rental income from accommodations occupied less than 180 consecutive days. Although time share units are used as transient lodging similar to hotel accommodations, they are not subject to the TAT unless they are rented. Hotels and condominiums paid approximately \$124 million in TAT last year. Imposing an accommodation fee on time share owners will help to level the playing field between hotels and time share owners.

Your Committee recognizes that concerns have been raised about the constitutionality of an accommodation fee and administration of the fee collection, and recommends that these issues be given further consideration by the Committee on Finance.

Your Committee has made a technical, non-substantive amendment to the bill.

As affirmed by the record of votes of the members of your Committee on Consumer Protection and Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 852, SD 1, HD 1, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 852, SD 1, HD 2.

Signed by all members of the Committee except Representatives Case, Saiki, Tom and Yoshinaga.
(Representatives Kawanakoa and Whalen voted no.)

SCRep. 1288 Energy and Environmental Protection on S.B. No. 373

The purpose of this bill is to amend certain provisions of the water pollution law to make them consistent with federal regulations. This bill would:

- (1) Prohibit the Director of Health from granting or denying a water pollution permit without affording any person who commented on the proposed permit during the public comment period an opportunity for a hearing;
- (2) Specify that a request for a hearing, a hearing, and any judicial review of the hearing shall not stay the effect of the issuance or renewal of a permit unless specifically ordered by the Director or a court; and
- (3) Authorize the Director to modify, suspend, revoke, or revoke and reissue any sludge permit after affording the permittee an opportunity for a hearing in accordance with chapter 91 and consistent with federal regulations.

The Department of Health testified in support of this bill and offered amendments. The Sierra Club, Hawaii Chapter also supported this measure.

Your Committee has amended this bill by making technical, nonsubstantive revisions for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 373, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 373, HD 1, and be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1289 Energy and Environmental Protection on S.B. No. 1082

The purpose of this bill is to authorize the Department of Health to utilize moneys in the environmental response revolving fund to clean up oil as well as non-oil releases.

Your Committee received testimony in support of this bill from the Department of Health, Hawaiian Electric Company, Inc., and one individual. Testimony in opposition to this bill was submitted by BHP Hawaii, Inc., and the Hawaii Transportation Association.

Your Committee finds that the environmental response revolving fund under the state Department of Health contains accounts to address the costs of cleaning up oil and non-oil releases. While the account for oil releases exhibits a substantial balance, the non-oil account is currently in danger of becoming depleted. Once the non-oil account is depleted, the Department will be required to cease all non-oil response activities. This bill will enable the Department to utilize moneys in the fund to respond to releases of all hazardous substances.

Your Committee further finds that as urban uses continue to encroach upon industrial areas of the State, the problem of residential exposure to potentially harmful air emissions will become more and more of a problem. To address this issue, your Committee prepared a proposed draft of this bill which incorporates the contents of H.B. No. 2232, HD 1. The proposed draft, which also enables the trading of emission credits and requires the Director of Health to review the adequacy of air pollution control equipment at Kahe Point and Campbell Industrial Park, was circulated to the members of your Committee and the public for the purposes of conducting a public hearing.

Your Committee received testimony in support of the proposed draft of this bill from the Department of Health. Testimony in opposition to the proposed draft was submitted by Hawaiian Electric Company, the Hawaii Agriculture Research Center, and Chevron Products Company. The Sierra Club submitted testimony expressing reservations about the proposed amendments and recommended various changes.

The purpose of the amendments to this bill is to reduce air emissions of criteria pollutants by major sources and to provide affected companies the flexibility to comply by recognizing and accommodating contractual emissions trading agreements between private parties.

The amendments give the Department of Health until July 1, 2017 (twenty years) to review permits of all major sources of emissions in Campbell Industrial Park and Kahe point. The bill allows the affected major sources in Campbell Industrial Park and Kahe Point until July 1, 2017 (twenty years) to reduce their air emissions to the level of air quality using "reasonably available control technology" (RACT) as of July 1, 1997.

The RACT standard provides flexibility to the Department of Health and industry to meet the goals of this measure. As defined by the regulations of the Environmental Protection Agency, RACT means:

"the lowest emission limitation that a particular source is capable of meeting by the application of control technology that is reasonably available considering the technological and economic feasibility. [45 Fed. Reg. 59, 331 (Sept. 9, 1980)]."

The RACT standard specifically takes into consideration both technological and economic feasibility. This means that in circumstances where modifications are not technologically feasible or modification of existing equipment is not economically feasible, then these factors would be taken into consideration in determining the RACT. This affords a great safeguard to companies to ensure that their individual circumstances will be taken into consideration and that the economic burden is evaluated.

Your Committee has further amended the bill to require affected major sources to submit with the first renewal application after the effective date of this Act, an assessment and proposal of modifications to equipment or operations necessary to comply with the July 1, 1997 RACT standard by July 1, 2017. The affected major source has twenty years to plan for compliance with this standard.

Your Committee, furthermore, included an exemption clause that authorizes the Director of Health to grant exemptions to major sources where the July 1, 1997 RACT standard would create an economic hardship. If the affected major source determines that it is not economically feasible to comply by July 1, 2017, the source must submit an alternative plan detailing the steps it will be taking in good faith, such as establishing a sinking fund for equipment purchases, and an anticipated production schedule of completion.

The director, in determining an exemption, would take into consideration such factors as: the social and economic utility of the major source, the cost of improvements, the health benefits to society of the improvements, the age and efficiency of existing controls and other mitigating factors in determining an exemption.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1082, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1082, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Garcia, Morihara and Tarnas.
(Representative Thielen voted no.)

SCRep. 1290 Energy and Environmental Protection on S.B. No. 1579

The purpose of this bill, as received by your Committee, is to:

- (1) Establish the authority and program required under the federal Safe Drinking Water Act Amendments of 1996, which allow the State to qualify for the receipt of federal funds; and
- (2) Authorize the Department of Health (DOH) to operate a State revolving fund program and to issue low-interest loans for the financing of public and private water system improvement projects. Under this program, the federal government provides 80% of the funding with the State providing 20% in matching funds.

Testimony in support of this bill was received from the Department of Health, the Board of Water Supply, City and County of Honolulu, the Department of Water Supply, County of Maui, and concerned citizens. No testimony in opposition to this bill was received.

Upon further consideration, your Committee has amended this bill by:

- (1) Deleting in section 340E-F(c) the setting aside of an unspecified percentage of the drinking water fund for use in areas of the State which are served by rain water catchment systems;
- (2) Revising section 340E-H(3) to allow the State or the counties to provide the 20% matching funds, in order not to jeopardize the federal funding where the State is unable to match the federal funds;
- (3) Deleting in section 340E-I(a) enforcement of loans from the enumerated list of "current activities" which the fees must cover; and
- (4) Making technical, nonsubstantive changes for purposes of clarity and style.

Your Committee believes that the intent of this bill is to provide improvements in drinking water quality and protection and cost savings to both the water supplier and the drinking water consumer.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1579, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1579, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Meyer.

SCRep. 1291 Energy and Environmental Protection on S.B. No. 1089

The purpose of this bill, as received by your Committee, is to:

- (1) Promote the conservation and recovery of endangered species and their habitats;
- (2) Allow the Board of Land and Natural Resources (BLNR) and private landowners to enter into habitat conservation plans or safe harbor agreements;
- (3) Establish an Endangered Species Recovery Team to review and to make recommendations upon all proposals for habitat conservation plans, safe harbor agreements, and incidental take licenses;
- (4) Provide incentives to landowners following the approval of a habitat conservation plan or safe harbor agreement or issuance of an incidental take license; and

- (5) Allow the negotiations between a landowner and the Department of Land and Natural Resources (DLNR) to remain confidential, regardless of whether an agreement was reached.

Testimony in support of this bill was received from the U.S. Fish and Wildlife Service, DLNR, the Nature Conservancy, Kamehameha Schools Bernice Pauahi Bishop Estate, McCandless Ranch, a professional ecologist, a researcher, and a concerned citizen.

Testimony in opposition to this bill was received from the Ahupua'a Action Alliance, the Hawaii Audubon Society, Hawaii's Thousand Friends, Life of the Land, the Sierra Club, the Sierra Club Legal Defense Fund, and a concerned citizen.

Your Committee finds that Hawaii has the most severely threatened biota in the nation. Your Committee also finds that it is imperative that Hawaii develop the most creative ways to foster the survival of that biota.

Upon further consideration, your Committee has amended this bill to:

- (1) Amend the Hawaii Endangered Species Act, chapter 195D, Hawaii Revised Statutes (HRS), to conform more closely to the federal Endangered Species Act;
- (2) Allow DLNR to work in cooperation with federal agencies in concurrently processing habitat conservation plans, safe harbor agreements, and incidental take licenses under the federal Endangered Species Act, to:
 - (A) Ensure that the habitat conservation plans and safe harbor agreements are enforceable under federal law; and
 - (B) Clarify that BLNR may not approve plans and agreements that do not meet State standards;
- (3) Require that habitat conservation plans and safe harbor agreements expressly state that any violation of any term of the plan or agreement constitutes a violation of State law;
- (4) Provide for public review and comment of any safe harbor agreement application through notification in the Office of Environmental Quality Bulletin (OEQC Bulletin), in addition to the public hearing requirement;
- (5) Revise the section on incentives by:
 - (A) Allowing for binding arbitration to resolve the landowner's cost reimbursement for any new requirement or condition or the modification of any existing requirement or condition, rather than requiring nonjudicial arbitration;
 - (B) Changing "disadvantaged" to "unduly burdened" in the subparagraph relating to DLNR's authority to take action where a party has not consented to a new requirement, condition, or modification;
 - (C) Placing primary obligation upon the State for the implementation of any mitigation measures deemed necessary, due to extraordinary circumstances;
 - (D) Expressly providing that a landowner's decision to enter a habitat conservation plan or safe harbor agreement is strictly voluntary;
 - (E) Deleting the recognition and award program; and
 - (F) Establishing a Habitat Conservation Technical Assistance Program to assist landowners in developing habitat conservation plans;
- (6) Revise the confidentiality provision to provide that all information submitted to BLNR by a landowner in the course of preparing a habitat conservation plan or safe harbor agreement shall remain confidential until the first publication of the notice of intent in the OEQC Bulletin, as a means of balancing the landowner's desire for confidentiality with the public's need for adequate information during the public review and comment period;
- (7) Rename the Endangered Species Recovery Team to the Endangered Species Recovery Committee and to reduce the number of members who comprise the Committee;
- (8) Revise and broaden the scope of duties of the Endangered Species Recovery Committee to include the development of appropriate incentives for landowners to engage in efforts to restore and conserve endangered, threatened, proposed, and candidate species;
- (9) Allow the use of adjacent public lands for commercial ecotourism activities that increase public education and support for endangered or threatened species;
- (10) Allow DLNR, with the landowner's consent, to authorize the release or establishment of any endangered or threatened species population outside its current range, where the Endangered Species Recovery Committee determines that it will further the conservation of the species;
- (11) Delete the establishment of an Endangered Species Trust Fund;
- (12) Delete the provisions pertaining to enforcement, penalties, and rulemaking authority;

- (13) Amend section 195D-2, HRS, to provide for the definition of new terms;
- (14) Amend section 195D-4, HRS, to provide for the issuance of temporary incidental take licenses;
- (15) Amend sections 195D-6 and 195D-7, HRS, pertaining to DLNR's rulemaking authority and enforcement; and
- (16) Make technical, nonsubstantive amendments for purposes of clarity and style.

Your Committee believes that the intent of this bill is to remove the impediments to voluntary conservation efforts which would benefit endangered species and their habitat.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1089, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1089, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 1292 Education on S.B. No. 538

The purpose of this bill is to require that decisions regarding the selection of books and other library materials on behalf of the state library system be performed internally by the public service librarians.

Testimony in support of the bill was received from one member of the House of Representatives, four neighborhood boards, the Librarians Association of Hawaii, the staff of the Hawaii and Pacific section of the Hawaii state library, three public library branch managers, twenty-one individual staff members of state public libraries, a U.H. Law School librarian, a retired librarian, HGEA/AFSCME Local 152, AFL-CIO, the International Association of Machinists and Aerospace Workers, and 454 members of the public. Testimony in opposition to the bill was received from the Board of Education.

Your Committee finds that the public has been ill-served by the current outsourcing contract with Baker & Taylor, in which book selection has been done solely by a mainland company rather than by the librarians themselves. Among other problems, your Committee finds that:

- (1) Sole outsourcing of selection gives policy-making power in regard to library collection development to a for-profit entity whose primary motivation is its profit margin rather than community needs;
- (2) Local community needs have frequently been ignored in the selections sent by the outsourcing company;
- (3) A high percentage of books received have been inexpensive paperback reprints, which save money, under flat-fee pricing, but do not provide the quality of books needed for long-term public use;
- (4) An inordinate number of titles sent have been unwanted duplicates of titles already in the libraries;
- (5) Few major titles that have received good reviews have been sent while minor publications with poor reviews have been sent;
- (6) The profile information for book selection sent by state librarians, as well as other input by librarians as to appropriate book choices, has often been disregarded;
- (7) The outsourcing company was given the entire materials budget but does not have access to important reference works needed by the public, including business reference works such as Dun and Bradstreet publications;
- (8) The Hawaiiana and South Pacific collections have recently experienced a significant decline, as the outsourcing company does not have access to the very important works put out by local presses, including Kamehameha Schools Press, U.H. Press, and Bess Press;
- (9) Inappropriate materials have been sent, including sending thirteen videos to the Library for the Blind and Physically Handicapped that were not suited for either the blind or the deaf communities served by the library; and
- (10) No music scores have been sent by the outsourcing company even though the contract provides for them.

Your Committee finds that sole outsourcing of library material selection and the consequent divorcement of choice from the public service librarians, who are familiar with community needs and desires, has seriously weakened the State's public libraries. Even the best outsourcing contract cannot, in terms of selection, improve on choices made by librarians in the community.

Your Committee has amended this bill by:

- (1) Directing the Board to take all steps possible, in any existing outsourcing contract, to ensure formal involvement by the state public service librarians in the selection of library materials; and
- (2) Providing that decisions regarding selection of books be made by public service librarians upon the termination of any existing outsourcing contract.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 538, SD 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 538, SD 3, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Yonamine and McDermott.
(Representative Halford voted no.)

SCRep. 1293 Judiciary on S.B. No. 209

The purpose of this bill is to propose an amendment to the State Constitution to provide that the Tax Review Commission (Commission) will be appointed every ten years, instead of the current five years, beginning in the year 2005.

The Department of Taxation testified in support of the bill. The Tax Foundation of Hawaii commented on the measure.

Your Committee finds that increasing the time between the appointment of each Commission ensures that the Legislature will have more time to fully implement the recommendations of each Commission.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 209 and recommends that it pass Second Reading and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1294 Judiciary on S.B. No. 969

The purpose of this bill as received by your Committee on Judiciary is to abolish the \$25 fine limit the University of Hawaii Board of Regents may impose on vehicle violations.

Your Committee received supporting testimony on this measure from the University of Hawaii.

Your Committee expressed concern that, with no statutory limit on the amount of fines, excessive fines could be levied against the public. Your Committee has, therefore, amended this bill to provide authority to impose a maximum fine of \$200.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 969, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 969, HD 1.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1295 Judiciary on S.B. No. 717

The purpose of this bill as received by your Committee on Judiciary is to establish a \$25 surcharge for persons who are divorcing or separating. The surcharge is to be used to fund a parent education program for separating parents and their children.

Your Committee received testimony on this bill from the Judiciary, the Kids First program, and a retired family court judge.

Your Committee has amended this bill as follows:

- (1) A purpose and findings section has been added.
- (2) The surcharge has been increased from \$25 to \$35.
- (3) The surcharge applies to the person filing the initial action, rather than to both parties.
- (4) No surcharge is assessed if neither party has a minor child.
- (5) The respondent in the matrimonial action may be asked to voluntarily donate \$10 to the special fund in consideration of the services received.
- (6) The appropriation has been reduced to \$1 for the purpose of discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 717, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 717, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola, Herkes, Hiraki, Menor, Pendleton and Thielen.

SCRep. 1296 Judiciary on S.B. No. 242

The purpose of this bill is to authorize the State Ethics Commission to initiate complaints concerning alleged violations of Chapter 97, Hawaii Revised Statutes, which regulates lobbyists. The bill also provides that the Commission shall have the power to render an informal advisory opinion and to publish summaries of decisions, advisory opinions, and informal advisory opinions with deletions to protect the identity of persons whose identities are not otherwise a matter of public record.

Your Committee received testimony from the Hawaii State Ethics Commission and Common Cause Hawaii in support of this bill.

Your Committee also received testimony from the University of Hawaii Professional Assembly, the Hawaii Insurers Council, Pacific Management Consultants, Inc., G.A. Morris, Inc., and Goodwill Anderson Quinn & Stifel expressing concerns primarily with allowing the Commission to initiate complaints without procedural safeguards such as a verified complaint.

The Attorney General also testified in opposition to the bill because of policy concerns.

Your Committee concurs with the intent of the bill. The Ethics Commission should be able to file complaints against persons who violate the Lobbyists Law, in the same manner that the Commission files complaints against persons who violate the State Ethics Code.

Your Committee, however, is sensitive to the concerns expressed and believes that procedural safeguards including verified complaints are important to protect innocent citizens from unjustified or "frivolous" complaints and harassment.

Your Committee has therefore amended the bill by:

- (1) Providing a process with regard to the Lobbyists Law charges that applies the same procedures applicable to alleged violations of the State Ethics Code;
- (2) Adopting the recommendations of the Attorney General by requiring verified complaints and deleting language which would require the issuance of an informal advisory opinion "to any person alleged in a complaint to be in violation of [Chapter 97];" and
- (3) Making technical, nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 242, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 242, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1297 Judiciary on S.B. No. 1264

The purpose of this bill as received by your Committee on Judiciary is to allow the inclusion of fingerprints of juveniles taken into custody for all law violations, rather than status offenses alone, into the Hawaii Automated Fingerprint Identification System.

Your Committee received testimony on this bill from the Attorney General, the Honolulu Police Department, the Maui Police Department, Hawaii Youth Services Network, the Office of Youth Services and the Public Defender.

Your Committee has amended this bill to require juveniles to be fingerprinted only if convicted of a felony, misdemeanor or petty misdemeanor, rather than for any violation, whether or not convicted. Therefore, the present provision in the law which expunges juvenile fingerprint records in appropriate circumstances has been retained.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1264, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1264, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Menor, Yoshinaga and Thielen.

SCRep. 1298 Judiciary on S.B. No. 1268

The purpose of this bill is to establish an improved uniform interstate case processing system by adding a new chapter, the Uniform Interstate Family Support Act and repealing Chapter 576, the Uniform Reciprocal Enforcement of Support Act. The new act, which is federally mandated, addresses the problem created by the coexistence of multiple support orders from different states by promoting the concept of only one support order controlling at any given time.

Your Committee received favorable testimony on this bill from the Administrator of the Child Support Enforcement Agency on behalf of the Attorney General, a representative of the Department of Human Services, a representative of the County of Hawaii and the County of Kauai and the Hawaii Commissioner to the National Conference of Commissioners on Uniform State Laws.

Your Committee previously heard the companion bill, H.B. 1590, HD 1, and made a substantive change to the definition section of this bill to provide that the Child Support Enforcement Agency's responsibilities as tribunal would be limited to the ministerial duties of the registering tribunal. Your Committee finds that this amendment should be included

in S.B. No. 1268, SD 2, as the forum for determining paternity and support in interstate cases should be the court or the Office of Child Support Hearings.

This bill, pursuant to the recommendations of the County of Hawaii and the County of Kauai, has been further amended to clarify the definition sections relating to "Tribunals of State" and "Registering tribunal." Not only are these provisions being amended to define the ministerial duties of the Child Support Enforcement Agency when acting as a registering tribunal, but the definition of "Registering tribunal" is being amended to reflect that the Child Support Enforcement Agency of this State will assume the duties of the registering tribunal when it receives a registration request from another support enforcement agency or from an individual who has applied for child support enforcement agency services.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1268, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1268, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 1299 Judiciary on S.B. No. 1285

The purpose of this bill, as received by your Committee, is to provide flexibility to the government in providing public notice in order to generate cost savings while still reaching the appropriate recipients of the information effectively.

Your Committee received testimony in support of the measure from representatives of the Department of the Attorney General, the Board of Land and Natural Resources and the Hawaii Government Employees Association. Your Committee also received testimony generally in support of the measure but with suggestions for changes from representatives of Common Cause Hawaii and the Hawaii Publishers Association.

Your Committee received testimony in opposition to the measure from representatives of Hawaii's Thousand Friends, the Hawaii Newspaper Agency, the Printing Trades Council, and a number of other union organizations and private individuals.

Your Committee finds that the current method of providing the public with notice of important government activities is extremely rigid. Arguments have been made that if the government had more flexibility in choosing publications other than the daily newspapers more price competition would be introduced.

Your Committee believes that it is uncertain at this point whether the public will be well served if the government should choose to publish all notices in a source which does not carry the news of the day, has little or no paid circulation or is of limited special interest.

Your Committee believes that the uncertainties surrounding cost savings and service to the people of Hawaii by alternative forms of publication can only be answered if the new methods of publication are tried while not completely abandoning the established method of publication.

Your Committee notes that numerous laws which provide for public notice also provide that the notice must be published more than once.

Therefore, your Committee has amended the bill by providing that all notices must be published at least once in a newspaper of general circulation. As to those notices which are to be published more than once, subsequent publications may be made in the manner proposed by the bill.

Your Committee believes that this proposal will generate a track record from which a determination can be made as to whether savings are generated by alternative publications and whether the public is adequately informed by the use of alternative publications.

At the same time, the public will still find that every public notice is printed at least once in a newspaper of general circulation.

Your Committee has also amended the bill by clarifying that the notice given through Hawaii FYI is supplemental and not a substitute for the required publication of notice, and by correcting an inadvertent deletion of a requirement for multiple publications contained in the section dealing with the state growth and expenditure ceiling.

In addition, the effective date was amended to January 1, 1998 in order to permit time to prepare for the change in public notice requirements.

Technical, nonsubstantive amendments were made for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1285, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1285, SD 1, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Hiraki, Menor and Thielen.

SCRep. 1300 Judiciary and Consumer Protection and Commerce on S.B. No. 1266

This bill provides for expanded locate, support establishment and enforcement and paternity establishment procedures and responsibilities which are required by the Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1966 (Welfare Reform Act).

Your Committees previously heard the companion bill, H.B. 1588, HD1, and finds that the amendments recommended by your Committees should be retained in this bill. The amendments provide that the amount of arrearages that would constitute overdue support for purposes of professional and vocational license suspension or denial be for a six-month instead of a three month period. Further, the amendments provide for the imposition of jail sentences and fines for those persons found operating a motor vehicle while having a suspended or denied driver's license due to nonpayment of support.

Your Committees find that license suspension or denial should be implemented as a two step enforcement process. For an obligor who is delinquent three months in support payments, there will be a suspension or denial of the the obligor's driver's and recreational licenses. If the obligor is delinquent six months in support payments, the obligor's vocational and professional licenses will be suspended or denied.

Your Committees believe that the most expedient means to achieve the desired effect of having parents meet their support obligations is to subject their driver's licenses to suspension as the suspension of professional and vocational licenses will interfere with the obligor's ability to make their support payments. It is the belief of your Committees that persons behind in their support payments will be sufficiently motivated by the prospect of having their driver's licenses suspended to cooperate with the Child Support Enforcement Agency and start paying their support.

Your Committees are especially concerned about those obligors who are not only overdue in their support payments but continue to operate a vehicle with a suspended driver's license due to nonpayment of support. Imposing jail terms and fines on those who ignore their support obligations and also disregard the suspension or denial of their driver's license by continuing to operate a motor vehicle sends a clear message to violators that their disregard of their responsibilities under the law will not go unpunished.

Testimony in support of this bill was received from the Administrator of the Child Support Enforcement Agency on behalf of the Attorney General, the Registrar of the Board of Land and Natural Resources on behalf of the Chairperson of the Board, a representative of the Department of Human Services, a representative of the Office of Information Practices, and a representative of the County of Hawaii and County of Kauai. Your Committees have adopted the recommendations of the Attorney General, the County of Hawaii and the County of Kauai by making the following amendments:

Section 576D-F. Investigators. (c) The agency shall have access through the investigators, including automated inquiry access, to the records of all entities in the State for information on the employment, compensation, and benefits of any individual member, employee, or contractor of such entity in order to accomplish the purposes of the child support program.

Section 584-3.5. Expedited Process of Paternity. Subsection (c) is renumbered to (d) and a new subsection (c) is added as follows: Notwithstanding the provisions in sections 338-17.7 and 338-18(b), the department of health shall disclose to the child support enforcement agency, upon request, all voluntary acknowledgment of paternity forms on file with the department.

These changes comply with the requirements of the Federal Welfare Reform Act and also address the concerns of the Office of Information Practices.

Technical, nonsubstantive amendments to the bill have also been made for the purposes of style and clarity.

As affirmed by the records of votes of the members of your Committees on Judiciary and Consumer Protection and Commerce that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1266, SD 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1266, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Case, Hiraki, Menor, Yoshinaga, Kawananakoa and Pendleton.

SCRep. 1301 Energy and Environmental Protection on S.B. No. 375

The purpose of this bill is to raise the solid waste disposal surcharge from 25 cents per ton to 35 cents per ton.

The surcharge is deposited in the Environmental Management Special Fund, which partially funds the Department of Health's Office of Solid Waste Management.

Testimony in support of this bill was received from the Maui Demolition & Construction Landfill, Inc.; Waste Management of Hawaii, Inc; and the Sierra Club, Hawai'i Chapter. The Department of Health supported this measure and requested amendments.

Your Committee has amended this measure by inserting the original language from the house draft of the companion bill as follows:

- 1) Amend Section 342H-1 by adding a definition of "inert fill material" and "solid waste ";
- 2) Making technical, nonsubstantive changes for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 375, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 375, H.D. 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Garcia.

SCRep. 1302 Human Services and Housing on S.B. No. 1632

The purpose of this bill is to consolidate the functions of the Hawaii Housing Authority, the Housing Finance and Development Corporation and the Rental Housing Trust Fund Commission into a newly-created Housing and Community Development Corporation of Hawaii. This new corporation, HCDCH, will be administratively attached to the Department of Business, Economic Development, and Tourism for Administrative purposes only.

The Hawaii Housing Authority submitted testimony in support of the measure. The Office of the Governor (Governor's Special Assistant for Housing), Housing Finance and Development Corporation, State of Hawaii Rental Housing Trust Fund, and the City and County of Honolulu (Dept. of Housing and Community Development) submitted comments upon this measure. Also submitting comments regarding this measure were the Sierra Club, the Affordable Housing and Homeless Alliance, and two concerned citizens.

Your Committee recognizes the importance of streamlining government agencies and supports the Administration's policy of consolidating the State's fragmented housing industries. However, Various members of your Committee has expressed reservation's in incorporating HB 659 and HB 163 into SB 1632.

Your Committee has amended this bill by:

- (1) Deleting sections 281 through 290, dealing with loan participation;
- (2) Deleting sections 371 through 379, dealing with Downpayment Reserve Plan;
- (3) Incorporating the delineation of the types of bonds that the Corporation may issue;
- (4) Adding a definition section which deals with "undertaking, loan program, department, and governing body."
- (5) Deleted provisions in section 169 dealing with Housing bonds as legal investments, and incorporating a section dealing with Arbitrage provisions and interest rate;
- (6) Inserted language establishing the position of the Executive Assistant within the Corporation;
- (7) Inserted language from Chapter 358D, regarding the Homeless Assistance Act;
- (8) Inserted language allowing the new corporation to manage any housing units constructed due to natural disaster;
- (9) Inserted a new section to address the termination of existing HHA commission and HFDC board members;
- (10) Inserted a provision which extended the sunset date of the Hale Kokua Project;
- (11) Inserted extensive language dealing with special needs housing; and
- (12) Making numerous technical and nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1632, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1632, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1303 Human Services and Housing on S.B. No. 1874

The purpose of this bill, as received by your Committee, is to facilitate the transition of public assistance recipients from dependence to self-sufficiency by establishing policies that eliminate employment disincentives, enhance work readiness, and promote creation of new job opportunities by government, community organizations, and private businesses.

Both oral and written testimony for this measure was offered by the Department of Human Services (DHS), the Department of Labor and Industrial Relations (DLIR), the Office of Hawaiian Affairs, the Hawaii Catholic Conference, the ARC in Hawaii, Legal Aid Society of Hawaii, and two very concerned and actively involved individuals. Testimony from DHS was to the effect that because of budgetary constraints and their belief that DHS was already pursuing many of the provisions of the measure, they requested that the bill be held by your Committee. The DLIR's testimony reflected a general support for the intent of the bill, but deferred the DHS regarding appropriateness and feasibility of the individual initiatives outlined under Sections 2 and 3 of the bill. Legal Aid Society of Hawaii fully supported the measure, but indicated its concern that there was a failure to set any standard of accountability for implementation by the DHS or the DLIR. All others testifying wholeheartedly applauded the legislature for this measure and its intent to plug gaps in the new welfare laws.

Your Committee considered this important measure and passes this Senate bill, however, much of the substance of the bill has been replaced with new material which your Committee members believe more succinctly presents the matter. The material remaining from the S.B. 1874, SD 2, received by your Committee, relates to eliminating barriers to work, enhancing work readiness and child care issues. These amendments include making single parents with a child or children under age fourteen, rather than single mothers with a child or children under age sixteen, eligible for benefits under the program; amend the eligibility requirements for receiving assistance under the program to include single parents who are enrolled in a course of study at an educational institution for a minimum of credit hours; allowing eligible participants who receive exemptions, to receive child care, transportation assistance, and all other support services, to allow the participant to attend post-secondary school and other applicable benefits.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1874, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1874, SD 2, HD 1, and be referred to the Committee On Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1304 Human Services and Housing on S.B. No. 824

The purpose of this bill, as received by your Committee, is to require the director of human services to develop and monitor compliance, by department employees, contractors, and subcontractors, with procedures for screening and identifying individuals receiving assistance who have a history of, or are at risk of, domestic violence.

Both oral and written testimony for this measure was offered by the Department of Human Services (DHS), Child and Family Service organization, the Hawaii State Commission On The Status Of Women, the Domestic Violence Clearinghouse and Legal Hotline, a private practicing attorney who co-chairs the Hawaii Women's Coalition, Legal Aid Society of Hawaii, and a number of very concerned and actively involved individuals. Testimony from DHS was in support for the intent of this measure, however, they could not support the bill as received by your Committee. Both DHS and Legal Aid Society offered their own proposed amendments to the bill. Most organizational testifiers raised concerns over funding, but the Commission On The Status Of Women strongly supported the measure, as did the Domestic Violence Hotline. All individuals testifying related their great concern over the victims of domestic violence and the needs being addressed by this measure.

Your Committee considered this important measure and passes this Senate bill, however, much of the substance of the bill has been replaced with new material which your Committee members believe more succinctly presents the matter. Specifically, the amendments include those presented by the DHS director, and address the bills screening and identifying persons likely to have been, or likely to be, at risk of present or future domestic violence.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 824, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 824, SD 2, HD 1, and be referred to the Committee On Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1305 Judiciary on S.B. No. 831

The purpose of this bill is to clarify campaign spending and contribution laws.

Your Committee received testimony from the Attorney General on behalf of the Governor, the Executive Director of the State of Hawaii Campaign Spending Commission, the League of Women Voters of Hawaii, the Hawaii State AFL-CIO, the Democratic Party of Hawaii, the Hawaii Green Party, and Common Cause Hawaii in support of the intent or purpose of the bill as received.

The Legislative Information Services of Hawaii also submitted testimony regarding the proposed house draft which removed the provision in the current law that limits the number of fundraisers which can be held by a candidate.

The Commission also proposed amendments to the proposed house draft which included treating a "loan" as a campaign contribution, eliminating the "sole electoral activity committee," amending the provisions regarding "advisory opinions," and reinserting an allocation of \$100,000 from the Hawaii Election Campaign Fund.

The primary problem addressed by the bill is the proliferation of loans made to candidates in amounts far exceeding campaign contribution limits which remain unpaid and unresolved under current law.

Your Committee finds that the issue of outstanding loans seriously jeopardizes the public's trust in campaign spending laws and the integrity of the election process. Your Committee also finds that legitimate loans equalize the resources of candidates and provide an opportunity for many to participate in the electoral process.

Your Committee believes that the language set forth in the bill providing that a loan not from a candidate is deemed to be a contribution on the final day of the election period for which the loan was received is too limiting. It does not recognize the distinction between legitimate loans and campaign contributions. In this regard, loans in excess of campaign spending limits may be essential in the early phases of a campaign to fund start up costs, provide initial advertising funds or simply cover short falls in campaign fundraising. Legitimate loans by their very nature are subject to timely repayment and the candidate must be ultimately responsible for repaying any and all loans received and accepted.

Your Committee believes that provision for legitimate loans must be preserved and has amended the bill by:

- (1) Deleting all references of a loan being deemed a contribution;
- (2) Providing that if any loan is not repaid within five years, the candidate accepting the loan is prohibited from accepting any other loans, and all subsequent contributions received and any surplus retained shall only be expended towards the repayment of the outstanding loan, until the loan is repaid in full;
- (3) Inserting new language in section 11-193, Hawaii Revised Statutes (HRS) regarding the adoption of advisory opinions which is patterned after the practice of the State Ethics Commission;
- (4) Deleting language in section 11-217, HRS concerning appropriations for the administration of the public funding program of the Hawaii election campaign fund as being unnecessary and contrary to proper budgeting procedures;
- (5) Deleting the new word "services" from the definition of contribution as being unnecessary;
- (6) Eliminating the reference to "sole electoral activity committee," as suggested by the testimony of the campaign spending commission;
- (7) Removing limits on the number of fundraisers which can be held by a candidate, while retaining the limits on campaign contributions; and
- (8) Making technical nonsubstantive changes for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 831, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 831, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 1306 Energy and Environmental Protection on S.B. No. 1773

The purpose of this bill is to increase the advance disposal fee charged to glass container importers from one and one-half cents to two cents per glass container, beginning July 1, 1997.

The bill also clarifies that the Legislature may modify the fee amount, from time to time, as necessary to achieve the glass recovery program goals contained in section 342G-82, Hawaii Revised Statutes.

Testimony in support of this measure was received from the Department of Health; County of Maui, Department of Public Works and Waste Management; Sierra Club, Hawai'i Chapter and Anheuser Busch Companies. The Hawaii Food Industry Association submitted testimony with suggested amendments. Testimony opposing the bill was received from the Coca-Cola Bottling Company of Hawaii.

Your Committee finds voluntary recycling to be an important element to the success of solid waste recovery. Although your Committee is mindful that any cost increase may affect consumers, targets to recover glass from the waste stream have not been met and require additional incentives. Additionally your Committee finds that the rights of property owners of shopping centers should be balanced under this bill.

Upon further consideration your Committee has amended this bill to prohibit property owners or managers from prohibiting retailers of products in glass from establishing recycling drop-off centers, provided that:

- 1) The facility is operated in a safe and sanitary manner;
- 2) The space allocated is agreeable to the property owner or manager; and
- 3) The retailer or recycler provides proof of liability insurance.

As affirmed by the record of votes of the members of your Committee on Energy and Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1773, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1773, SD 2, HD 1, and be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Kanoho and Meyer.
(Representative Thielen voted no.)

SCRep. 1307 Agriculture on H.C.R. No. 265

The purpose of this concurrent resolution is to request the President of the University of Hawaii to conduct a study of ways that the University of Hawaii can promote the development of agriculture on the Big Island.

The UH submitted testimony in support of this measure.

Your Committee has amended this concurrent resolution by making:

- (1) The study applicable to the entire State; and

(2) Technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 265, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.C.R. No. 265, HD 1.

Signed by all members of the Committee except Representative White.

SCRep. 1308 Agriculture on H.R. No. 190

The purpose of this resolution is to request the President of the University of Hawaii to conduct a study of ways that the University of Hawaii can promote the development of agriculture on the Big Island.

The UH submitted testimony in support of this measure.

Your Committee has amended this resolution by making:

- (1) The study applicable to the entire State; and
- (2) Technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 190, as amended herein, and recommends that it be referred to the Committee on Higher Education, in the form attached hereto as H.R. No. 190, HD 1.

Signed by all members of the Committee except Representative White.

SCRep. 1309 Public Safety and Military Affairs on H.C.R. No. 210

The purpose of this concurrent resolution is to support and urge implementation of the Hazard Mitigation Plan developed in response to the Waianae district flooding.

Your Committee finds that as a result of the Waianae district flooding, a joint Federal-State-Local Interagency Hazard Mitigation Team was convened to discuss problems associated with the disaster and to develop recommendations. Subsequently, the State of Hawaii and the Federal Emergency Management Agency developed a mitigation strategy to support short-term recovery needs as well as long-term mitigation goals for communities affected by the disaster. Your Committee also finds that the goal of this strategy is to address immediate recovery needs, support long-term redevelopment objectives, and promote mitigation as the cornerstone for reducing future damage in all communities.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 210 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1310 Public Safety and Military Affairs on H.C.R. No. 280

The purpose of this concurrent resolution is to request that the Department of Accounting and General Services require the inclusion of disaster mitigation measures in the planning, design, and construction phases of all state-funded buildings designated as hurricane shelters.

Your Committee finds that there are still communities on Kauai which have no qualified hurricane shelters, thus imperiling the lives of residents and visitors alike on an island which has the highest probability of being struck by another hurricane compared to the rest of the State. Furthermore, your Committee finds that it is more cost effective to include disaster mitigation measures in the planning stages of development of a project rather than retrofitting a building after it has been completed.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 280 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1311 Public Safety and Military Affairs on H.C.R. No. 249

The purpose of this concurrent resolution is to deter the sale of cigarettes to civilian markets at military and Coast Guard facilities in Alaska and Hawaii by urging all military and Coast Guard facilities to purchase cigarettes only from wholesalers or dealers located within those respective states.

The Department of Taxation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 249 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1312 Public Safety and Military Affairs on H.R. No. 177

The purpose of this resolution is to deter the sale of cigarettes to civilian markets at military and Coast Guard facilities in Alaska and Hawaii by urging all military and Coast Guard facilities to purchase cigarettes only from wholesalers or dealers located within those respective states.

The Department of Taxation testified in support of this measure.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 177 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Tom.

SCRep. 1313 Higher Education on H.C.R. No. 52

The purpose of this concurrent resolution is to request the Department of Accounting and General Services, in coordination with the University of Hawaii-Hilo, to conduct a feasibility study for a multi-purpose sports and recreation complex on the University of Hawaii-Hilo campus.

The Department of Accounting and General Services and the University of Hawaii at Hilo commented on this measure, stating that it was unnecessary because the University of Hawaii-Hilo currently has a long-range development plan for a proposed multi-purpose sports and recreation center.

Upon further consideration, your Committee has amended this measure to request the Board of Regents of the University of Hawaii to place the multi-purpose sports and recreation complex on the University of Hawaii-Hilo campus on its list of priorities for capital improvement projects. Your Committee also made the following amendments:

- (1) Changed the title of the measure to read: "REQUESTING THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII TO PLACE THE MULTIPURPOSE SPORTS AND RECREATION COMPLEX ON THE UNIVERSITY OF HAWAII-HILO CAMPUS ON ITS LIST OF PRIORITIES FOR CAPITAL IMPROVEMENT PROJECTS";
- (2) Stated that the complex would provide recreational activities for students and enhance the quality of student life, improve student retention, and contribute to good student, faculty, and staff health;
- (3) Stated that the complex is a goal of the strategic plan of the University of Hawaii-Hilo for a more desirable residential campus; and
- (4) Deleted the Comptroller from the list of persons receiving certified copies of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 52, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 52, HD 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1314 Higher Education on H.R. No. 45

The purpose of this resolution is to request the Department of Accounting and General Services, in coordination with the University of Hawaii-Hilo, to conduct a feasibility study for a multi-purpose sports and recreation complex on the University of Hawaii-Hilo campus.

The Department of Accounting and General Services and the University of Hawaii at Hilo commented on this measure, stating that it was unnecessary because the University of Hawaii-Hilo currently has a long-range development plan for a proposed multi-purpose sports and recreation center.

Upon further consideration, your Committee has amended this measure to request the Board of Regents of the University of Hawaii to place the multi-purpose sports and recreation complex on the University of Hawaii-Hilo campus on its list of priorities for capital improvement projects. Your Committee also made the following amendments:

- (1) Changed the title of the measure to read: "REQUESTING THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII TO PLACE THE MULTIPURPOSE SPORTS AND RECREATION COMPLEX ON THE UNIVERSITY OF HAWAII-HILO CAMPUS ON ITS LIST OF PRIORITIES FOR CAPITAL IMPROVEMENT PROJECTS";
- (2) Stated that the complex would provide recreational activities for students and enhance the quality of student life, improve student retention, and contribute to good student, faculty, and staff health;
- (3) Stated that the complex is a goal of the strategic plan of the University of Hawaii-Hilo for a more desirable residential campus; and
- (4) Deleted the Comptroller from the list of persons receiving certified copies of this measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 45, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 45, HD 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1315 Higher Education on H.C.R. No. 36

The purpose of this concurrent resolution is to request the Board of Regents of the University of Hawaii to consider establishing the two-year fashion technology program as a permanent part of the Honolulu Community College (HCC) curriculum.

The Hawaii Fashion Industry Association; You and Me, Naturally; RPM Sales; Pomare, Ltd.; and Tori Richard Ltd. supported this measure.

The University of Hawaii commented on this measure, noting that HCC's Fashion Technology program currently is not admitting new majors and is under stop-out status. This procedure is standard because of low program indicators since 1992.

According to the University, the program is currently being evaluated with regard to its curricular, relevance to the industry, student demand, job placement, and resource requirements.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting provisions that would ensure the participation of Hawaii's fashion industry in establishing HCC's fashion technology program. Specifically, this measure would:

- (1) Request HCC to work with Hawaii's fashion industry to establish a fashion technology program that will meet the demands of the industry;
- (2) Amend its title to read: "REQUESTING HCC TO WORK WITH THE HAWAII FASHION INDUSTRY TO ESTABLISH A FASHION TECHNOLOGY PROGRAM THAT WILL MEET THE DEMANDS OF THE INDUSTRY"; and
- (3) Provide that certified copies of the measure be transmitted to the Chair of the Board of Regents of the University of Hawaii, the Chancellor of the Community College System, the Provost of HCC, and the President of the Hawaii Fashion Industry Association.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 36, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 36, HD 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1316 Higher Education on H.R. No. 35

The purpose of this resolution is to request the Board of Regents of the University of Hawaii to consider establishing the two-year fashion technology program as a permanent part of the Honolulu Community College (HCC) curriculum.

The Hawaii Fashion Industry Association; You and Me, Naturally; RPM Sales; Pomare, Ltd.; and Tori Richard Ltd. supported this measure.

The University of Hawaii commented on this measure, noting that HCC's Fashion Technology program currently is not admitting new majors and is under stop-out status. This procedure is standard because of low program indicators since 1992.

According to the University, the program is currently being evaluated with regard to its curricular, relevance to the industry, student demand, job placement, and resource requirements.

Upon further consideration, your Committee has amended this measure by deleting its substance and inserting provisions that would ensure the participation of Hawaii's fashion industry in establishing HCC's fashion technology program. Specifically, this measure would:

- (1) Request HCC to work with Hawaii's fashion industry to establish a fashion technology program that will meet the demands of the industry;
- (2) Amend its title to read: "REQUESTING HCC TO WORK WITH THE HAWAII FASHION INDUSTRY TO ESTABLISH A FASHION TECHNOLOGY PROGRAM THAT WILL MEET THE DEMANDS OF THE INDUSTRY"; and
- (3) Provide that certified copies of the measure be transmitted to the Chair of the Board of Regents of the University of Hawaii, the Chancellor of the Community College System, the Provost of HCC, and the President of the Hawaii Fashion Industry Association.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 35, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 35, HD 1.

Signed by all members of the Committee except Representatives Morita, Santiago, Yonamine and McDermott.

SCRep. 1317 Agriculture and Economic Development and Business Concerns on H.C.R. No. 40

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to work with local industries, the Hawaii Visitors and Convention Bureau, the Department of Agriculture (DOA), and other appropriate agencies, to:

- (1) Showcase Hawaii-made products;
- (2) Develop a marketing plan to promote Hawaii-made or Hawaii-grown products; and
- (3) Submit a report of its progress and recommendations to the Legislature prior to the 1998 Regular Session.

Testimony in support of the measure was submitted by DOA, the Hawaii Fashion Industry Association, and the Democratic Party of Hawaii. Testimony in support of the intent of the measure was submitted by DBEDT.

Your Committees recognize that a well-coordinated effort among the respective agencies would greatly enhance the State's ability to promote and market Hawaii-made and Hawaii-grown products. This effort would be beneficial to our agriculture and tourism industries and to our local economy.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 40 and recommend that it be referred to the Committee on Finance.

Signed by all members of the Committees except Representatives Cachola, Chang, Takai and White.

SCRep. 1318 Economic Development and Business Concerns on H.C.R. No. 144

The purpose of this concurrent resolution is to request:

- (1) An evaluation of the current use of the functional plan to ascertain the value, need, and worthiness to continue updates of the state functional plans of the respective state agencies; and
- (2) The affected state agencies to submit the findings and recommendations to the Legislature prior to the 1998 Regular Session to continue or modify the functional plan process.

Testimony in support of the intent of the measure was submitted by the Office of State Planning.

Your Committee believes that this measure will provide an effective means to coordinate the planning of state programs to better address the concerns of the community.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 144 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1319 Economic Development and Business Concerns on H.R. No. 90

The purpose of this resolution is to request:

- (1) An evaluation of the current use of the functional plan to ascertain the value, need, and worthiness to continue updates of the state functional plans of the respective state agencies; and
- (2) The affected state agencies to submit the findings and recommendations to the Legislature prior to the 1998 Regular Session to continue or modify the functional plan process.

Testimony in support of the intent of the measure was submitted by the Office of State Planning.

Your Committee believes that this measure will provide an effective means to coordinate the planning of state programs to better address the concerns of the community.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 90 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1320 Economic Development and Business Concerns on H.C.R. No. 170

The purpose of this concurrent resolution is to urge the Department of Business, Economic Development, and Tourism (DBEDT) to develop a Web site and advertise it in all major cities worldwide to promote Hawaii business and international trading efforts.

Your Committee received comments from DBEDT. In its testimony, DBEDT indicated that it has been working to promote Hawaii products and services using Web sites for the past three years. DBEDT's accomplishments include producing the Hawaii Ocean Research and Development Page, marketing the State's technology parks and business incubators, and funding and contracting for the development of the Hawaii State Government Home Page.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 170 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1321 Economic Development and Business Concerns on H.R. No. 110

The purpose of this resolution is to urge the Department of Business, Economic Development, and Tourism (DBEDT) to develop a Web site and advertise it in all major cities worldwide to promote Hawaii business and international trading efforts.

Your Committee received comments from DBEDT. In its testimony, DBEDT indicated that it has been working to promote Hawaii products and services using Web sites for the past three years. DBEDT's accomplishments include producing the Hawaii Ocean Research and Development Page, marketing the State's technology parks and business incubators, and funding and contracting for the development of the Hawaii State Government Home Page.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 110 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1322 Economic Development and Business Concerns on H.C.R. No. 173

The purpose of this concurrent resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Develop a comprehensive statewide community-based economic strategy; and
- (2) Report to the Legislature its findings, recommendations, and initiatives to promote community-based economic development.

Testimony in support of this concurrent resolution was submitted by the Office of Hawaiian Affairs and an interested individual. DBEDT submitted testimony in support of the intent of this concurrent resolution. Comments were submitted by the Democratic Party of Hawaii.

Your Committee recognizes that community-based projects are essential because they provide employment opportunities, strengthen community identity, enable communities to become more self-reliant, and reinforce community social, cultural, economic, and spiritual values. Your Committee further recognizes these projects funnel invaluable technical and financial assistance to many of the State's business start-ups and expansions.

Your Committee has amended this concurrent resolution by requesting DBEDT to:

- (1) Facilitate, rather than develop, a comprehensive statewide community-based economic strategy; and
- (2) Submit initial findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 173, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 173, HD 1.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1323 Economic Development and Business Concerns on H.R. No. 113

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism (DBEDT) to:

- (1) Develop a comprehensive statewide community-based economic strategy; and
- (2) Report to the Legislature its findings, recommendations, and initiatives to promote community-based economic development.

Testimony in support of this resolution was submitted by the Office of Hawaiian Affairs and an interested individual. DBEDT submitted testimony in support of the intent of this resolution. Comments were submitted by the Democratic Party of Hawaii.

Your Committee recognizes that community-based projects are essential because they provide employment opportunities, strengthen community identity, enable communities to become more self-reliant, and reinforce community social, cultural, economic, and spiritual values. Your Committee further recognizes these projects funnel invaluable technical and financial assistance to many of the State's business start-ups and expansions.

Your Committee has amended this resolution by requesting DBEDT to:

- (1) Facilitate, rather than develop, a comprehensive statewide community-based economic strategy; and
- (2) Submit initial findings and recommendations to the Legislature.

As affirmed by the record of votes of the members of your Committee on Economic Development and Business Concerns that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 113, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 113, HD 1.

Signed by all members of the Committee except Representatives Cachola and Jones.

SCRep. 1324 Transportation on H.C.R. No. 42

The purpose of this House Concurrent Resolution, as referred to your Committee on Transportation is to urge the Department of Transportation to establish a cooperative agreement with the Pua Ka'ilima 'O Kawaihae Community Association to maintain a site at Kawaihae Commercial Boat Harbor for recreational, educational, and cultural ocean activities.

Your Committee finds that the Pua Ka'ilima 'O Kawaihae Community Association is expending much time and effort into the development of the site at Kawaihae for recreational, educational, and cultural ocean activities. Your Committee further finds that this area, under the jurisdiction of the Department of Transportation, is presently unused for Kawaihae's cargo activity.

House Concurrent Resolution 42 HD1 urges the Department of Transportation and the Pua Ka'ilima 'O Kawaihae Community Association to establish a cooperative agreement to maintain a site at Kawaihae Commercial Boat Harbor for recreational, educational and cultural ocean activities.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 42, HD 1 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1325 Transportation on H.R. No. 39

The purpose of this House Resolution, as referred to your Committee on Transportation is to urge the Department of Transportation to establish a cooperative agreement with the Pua Ka'ilima 'O Kawaihae Community Association to maintain a site at Kawaihae Commercial Boat Harbor for recreational, educational, and cultural ocean activities.

Your Committee finds that the Pua Ka'ilima 'O Kawaihae Community Association is expending much time and effort into the development of the site at Kawaihae for recreational, educational, and cultural ocean activities. Your Committee further finds that this area, under the jurisdiction of the Department of Transportation, is presently unused for Kawaihae's cargo activity.

House Resolution 39 HD1 urges the Department of Transportation and the Pua Ka'ilima 'O Kawaihae Community Association to establish a cooperative agreement to maintain a site at Kawaihae Commercial Boat Harbor for recreational, educational and cultural ocean activities.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 39, HD 1 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1326 Transportation on H.C.R. No. 119

The purpose of this House Concurrent Resolution, as referred to your Committee on Transportation, is to support the passage of Senator McCain's National Parks Overflights Act of 1997.

Your Committee finds that low-flying sight-seeing aircraft over National Parks and surrounding residential areas create an unwelcome noise factor and a potential safety hazard. Your Committee further finds that Senator McCain's National Parks Overflights Act of 1997 would allow the Secretary of the Interior to consider flight bans, flight-free zones, and altitude restrictions in order to preserve the natural quiet of National Parks.

House Concurrent Resolution No. 119 supports the passage of Senator McCain's National Parks Overflights Act of 1997.

Testimonies in favor of this concurrent resolution were heard from the Department of Transportation, Kapoho Community Association, Pepperwood Plantations, Maui Air Traffic Association, the Sierra Club, Maui group, Monahan Associates, Ltd., and Citizens Against Noise.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 119 and recommends that it be referred to the Committees on Water and Land Use and Energy and Environmental Protection.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1327 Transportation on H.R. No. 73

The purpose of this House resolution, as referred to your Committee on Transportation, is to support the passage of Senator McCain's National Parks Overflights Act of 1997.

Your Committee finds that low-flying sight-seeing aircraft over National Parks and surrounding residential areas create an unwelcome noise factor and a potential safety hazard. Your Committee further finds that Senator McCain's National Parks Overflights Act of 1997 would allow the Secretary of the Interior to consider flight bans, flight-free zones, and altitude restrictions in order to preserve the natural quiet of National Parks.

House Resolution No. 73 supports the passage of Senator McCain's National Parks Overflights Act of 1997.

Testimonies in favor of this resolution were heard from the Department of Transportation, Kapoho Community Association, Pepperwood Plantations, Maui Air Traffic Association, the Sierra Club, Maui group, Monahan Associates, Ltd., and Citizens Against Noise.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 73 and recommends that it be referred to the Committees on Water and Land Use and Energy and Environmental Protection.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1328 Finance on S.B. No. 207

The purpose of this bill is to exempt out-of-state sales of liquor from the liquor tax.

The Department of Taxation and the Tax Foundation of Hawaii commented on this measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 207, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1329 Finance on S.B. No. 910

The purpose of this bill is to require, in the procurement of professional services, that the screening committee submit a list of at least three names, instead of only three names, to the head of the purchasing agency.

The State Procurement Office testified in support of this measure. The University of Hawaii School of Nursing commented on the measure.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 910, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1330 Finance on S.B. No. 938

The purpose of this bill is to promote tax parity between residents and nonresidents by limiting the rate of deductions claimed by part-year residents to the same proportion of state income on which they base their tax payments.

The Department of Taxation and the Hawaii Bankers Association testified in support of this measure. The Tax Foundation of Hawaii commented on this measure.

Your Committee has amended this bill by replacing the word "part-time" in the new section title with "part-year" to more accurately reflect the new provision.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 938, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 938, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1331 Finance on S.B. No. 1421

The purpose of this bill is to improve the efficiency of the state payroll.

The United Public Workers, AFSCME, Local 646, the Hawaii State Teachers Association, the Hawaii Business Roundtable testified in support of this measure. The Department of Budget and Finance and City Mill Company, Ltd., testified in support of the intent of this measure. The Department of Accounting and General Services and the University of Hawaii Professional Assembly, commented on this measure.

Currently, state payroll checks are prepared prior to the end of the work period so that they can be delivered to the employees on the last day of the pay period. This can cause incongruities. For example, if an employee signs out for leave at the end of a pay period and is paid, but did not actually have the leave to take, the State must then collect the overpayment. Most private companies pay on an after-the-fact basis to avoid these problems. This bill will conform the state payroll process to the standard practice used by business.

Your Committee has amended this bill by inserting the language of H.B. No. 1691, HD 2, to:

- (1) Provide that the provisions relating to an after-the-fact payroll are not subject to negotiation;
- (2) Delete authorization for the Department of Accounting and General Services to implement the after-the-fact payroll; and
- (3) Make technical, nonsubstantive amendments for style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1421, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1421, SD 2, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1332 Finance on S.B. No. 1802

The purpose of this bill is to adjust the salaries of the Auditor, the first assistant or first deputy of the Auditor, the director of the Legislative Reference Bureau and the director's assistants, the chairperson of the Hawaii Labor Relations Board, the chief negotiator in the Office of Collective Bargaining, the Ombudsman and the Ombudsman's first assistant, the manager of the Stadium Authority, the chairperson and the commissioners of the Public Utilities Commission, the chairperson and the members of the Board of Labor and Industrial Relations Appeals Board.

The United Public Workers, AFSCME Local 646 and a concerned resident testified in support of this measure. The Hawaii Government Employees Association, AFSCME Local 152, testified in support of the intent of this measure. The Ombudsman commented on this measure.

Your Committee has amended this bill by:

- (1) Inserting \$1 for all the salary amounts and appropriations for purposes of continued discussion; and
- (2) Making technical nonsubstantive amendments for purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1802, SD 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1802, SD 2, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1333 Labor and Public Employment on S.B. No. 1300

The purpose of this bill is to:

- (1) Specify in section 383-38, Hawaii Revised Statutes (HRS), that written notice of an unemployment insurance appeals hearing must be sent by regular first class mail to the last known address of the claimant or party; and
- (2) Provide for a second written notice to be sent by certified mail and the rescheduling of the hearing, if the claimant or party fails to receive the written notice.

Testimony in support of this bill was received from the Department of Labor and Industrial Relations (DLIR). No testimony in opposition to this bill was received.

In the absence of a specific notice requirement in Chapter 383, HRS, the general notice provision in the Hawaii Administrative Procedures Act, Chapter 91, HRS, applies. Section 91-91.5, HRS, requires that notice must be sent by registered or certified mail with return receipt requested. Your Committee finds that this would impose a significant financial and procedural burden upon the State, given the number of appeals filed each year.

Your Committee also finds that DLIR has access to the claimant's current address and sufficient safeguards to protect a party's rights exist, where the hearing notice is either not received or untimely received. As such, your Committee believes that this bill furthers the interests of the claimant and the State.

As affirmed by the record of votes of the members of your Committee on Labor and Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1300, SD 1, and recommends that it pass Second Reading and be placed on the calendar for Third Reading.

Signed by all members of the Committee.

SCRep. 1334 Human Services and Housing on S.B. No. 1556

The purpose of this bill, as received by your Committee, is to authorize the Hawaii Housing Authority to waive time limits within which a provider agency must provide shelter or program assistance to eligible homeless families and individuals if repairs and maintenance are required to make a shelter habitable.

Testimony for this measure was light consisting of the Executive Director of the Hawaii Housing Authority, and Safe Haven, a private non-profit organization. The HHA fully supported this bill and applauded the flexibility in the turn around time allowed for shelter units that may require extensive repair or maintenance work that cannot be easily accomplished in two to seven days. Safe Haven testified that it was in favor of the bill, citing that it will stem the tide of homelessness in Hawaii.

Your Committee considered this important measure and passes this Senate bill, however, the substance of the bill has been replaced with new material which your Committee members believe more succinctly presents the matter. The new material essentially gives HHA a maximum period of fourteen days within which to implement repairs to a subject unit.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1556, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1556, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Santiago and Whalen.

SCRep. 1335 Human Services and Housing on H.C.R. No. 232

The purpose of this concurrent resolution is to request the Department of Human Services (DHS) to convene an informal working group to examine steps that can be taken to expedite the adoption or permanent placement of foster children.

Many concerned individuals submitted testimony in support of this measure. DHS and the Judiciary submitted testimony in support of the intent of this measure and commented that discussion and collaboration are ongoing to identify and solve problematic areas of foster care.

Your Committee finds that it is important to ensure that children do not enter foster care unnecessarily, and that those children who do enter care either return home quickly to their parents, are adopted, or be placed in permanent homes.

Your Committee has amended this measure by:

- (1) Designating the House of Representatives (House) and the Senate, instead of DHS, to convene the working group, thereby reassigning all responsibilities provided in this concurrent resolution to the House and the Senate;
- (2) Amending the title of this concurrent resolution to read: "REQUESTING AN INFORMAL WORKING GROUP BE CONVENED TO EXAMINE WHAT STEPS CAN BE TAKEN TO EXPEDITE THE ADOPTION OR PERMANENT PLACEMENT OF FOSTER CHILDREN";
- (3) Inviting all private sector foster child agencies to participate in the working group;
- (4) Requesting DHS to participate in the working group;
- (5) Transmitting certified copies of this concurrent resolution to the Speaker of the House and the President of the Senate; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 232, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 232, HD 1.

Signed by all members of the Committee except Representatives Kahikina and Whalen.

SCRep. 1336 Human Services and Housing on H.R. No. 162

The purpose of this resolution is to request the Department of Human Services (DHS) to convene an informal working group to examine steps that can be taken to expedite the adoption or permanent placement of foster children.

Many concerned individuals submitted testimony in support of this measure. DHS and the Judiciary submitted testimony in support of the intent of this measure and commented that discussion and collaboration are ongoing to identify and solve problematic areas of foster care.

Your Committee finds that it is important to ensure that children do not enter foster care unnecessarily, and that those children who do enter care either return home quickly to their parents, are adopted, or be placed in permanent homes.

Your Committee has amended this measure by:

- (1) Designating the House of Representatives (House) and the Senate, instead of DHS, to convene the working group, thereby reassigning all responsibilities provided in this concurrent resolution to the House and the Senate;
- (2) Amending the title of this resolution to read: "REQUESTING AN INFORMAL WORKING GROUP BE CONVENED TO EXAMINE WHAT STEPS CAN BE TAKEN TO EXPEDITE THE ADOPTION OR PERMANENT PLACEMENT OF FOSTER CHILDREN";
- (3) Inviting all private sector foster child agencies to participate in the working group;
- (4) Requesting DHS to participate in the working group;
- (5) Transmitting certified copies of this resolution to the Speaker of the House and the President of the Senate; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 162, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 162, HD 1.

Signed by all members of the Committee except Representatives Kahikina and Whalen.

SCRep. 1337 Hawaiian Affairs on H.C.R. No. 143

The purpose of this concurrent resolution is to request the Legislative Reference Bureau to examine alternatives to the current method of electing Office of Hawaiian Affairs (OHA) trustees.

The Oahu Council of the Association of Hawaiian Civic Clubs, the Hawaiian Political Action Committee, and Dave K. Chun testified in support of this concurrent resolution. OHA and Na Koa Ikaika provided comments on this measure.

Your Committee believes that this concurrent resolution will address the concerns that some members of the Hawaiian community have about the current method of electing OHA trustees.

Upon due consideration, your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau to include in its study, the cost of a primary and general election, including elections based on island residence, versus the cost of the current system; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 143, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 143, HD 1.

Signed by all members of the Committee.

SCRep. 1338 Hawaiian Affairs on H.R. No. 89

The purpose of this resolution is to request the Legislative Reference Bureau to examine alternatives to the current method of electing Office of Hawaiian Affairs (OHA) trustees.

The Oahu Council of the Association of Hawaiian Civic Clubs, the Hawaiian Political Action Committee, and Dave K. Chun testified in support of this resolution. OHA and Na Koa Ikaika provided comments on this measure.

Your Committee believes that this resolution will address the concerns that some members of the Hawaiian community have about the current method of electing OHA trustees.

Upon due consideration, your Committee has amended this measure by:

- (1) Requesting the Legislative Reference Bureau to include in its study, the cost of a primary and general election, including elections based on island residence, versus the cost of the current system; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 89, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 89, HD 1.

Signed by all members of the Committee.

SCRep. 1339 Hawaiian Affairs on H.C.R. No. 183

The purpose of this concurrent resolution is to request the Department of Hawaiian Home Lands to establish a committee to study and make recommendations regarding successorship.

The Association of Hawaiian Civic Clubs and its Oahu Council testified in support of this concurrent resolution. The Office of Hawaiian Affairs supported the intent of this measure. The Department of Hawaiian Home Lands and a concerned individual commented on the measure.

Your Committee recognizes the concern for providing stability and continuity in a family's tenure on a homestead. Issues of successorship need to be examined due to the inevitability that, as time passes, fewer and fewer Hawaiians will have the required blood quantum to succeed to the lessee rights.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 183 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1340 Hawaiian Affairs on H.R. No. 120

The purpose of this resolution is to request the Department of Hawaiian Home Lands to establish a committee to study and make recommendations regarding successorship.

The Association of Hawaiian Civic Clubs and its Oahu Council testified in support of this resolution. The Office of Hawaiian Affairs supported the intent of this measure. The Department of Hawaiian Home Lands and a concerned individual commented on the measure.

Your Committee recognizes the concern for providing stability and continuity in a family's tenure on a homestead. Issues of successorship need to be examined due to the inevitability that, as time passes, fewer and fewer Hawaiians will have the required blood quantum to succeed to the lessee rights.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 120 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee.

SCRep. 1341 Hawaiian Affairs on H.C.R. No. 205

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs to urge native Hawaiians to participate in an early cancer detection program.

The Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this measure. The Office of Hawaiian Affairs testified in support of the intent of this measure.

Your Committee finds that early detection of cancer can dramatically increase survival chances. Statistics have shown that native Hawaiians are particularly susceptible to cancer deaths primarily due to late diagnoses. With the help of OHA these statistics can be changed.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 205 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee.

SCRep. 1342 Hawaiian Affairs on H.R. No. 141

The purpose of this resolution is to request the Office of Hawaiian Affairs to urge native Hawaiians to participate in an early cancer detection program.

The Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this measure. The Office of Hawaiian Affairs testified in support of the intent of this measure.

Your Committee finds that early detection of cancer can dramatically increase survival chances. Statistics have shown that native Hawaiians are particularly susceptible to cancer deaths primarily due to late diagnoses. With the help of OHA these statistics can be changed.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 141 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee.

SCRep. 1343 Hawaiian Affairs on H.C.R. No. 178

The purpose of this concurrent resolution is to urge the Department of Health to continue the promotion of nutrition education for the native Hawaiian population.

The Department of Health submitted testimony in support of this measure.

Your Committee finds that poor nutrition is a primary risk factor for many chronic health conditions, including diabetes, cancer, health disease, kidney disease, and obesity. Therefore, continued funding for nutrition initiatives such as NutriLink 2000 is critical. Your Committee believes that NutriLink has empowered individuals living in rural and remote areas of the State to make improved food choices that have resulted in numerous positive changes to their health status.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 178 and recommends that it be referred to the Committee on Health.

Signed by all members of the Committee.

SCRep. 1344 Hawaiian Affairs on H.C.R. No. 152

The purpose of this concurrent resolution is to request the Department of Education to determine state and district level management authority for the Hawaiian Studies Program.

The Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this measure. The Department of Education commented on the measure.

Your Committee supports the continuation of a strong Hawaiian Studies Program and reaffirms its commitment to carrying out its original purpose.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 152 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 1345 Hawaiian Affairs on H.R. No. 98

The purpose of this resolution is to request the Department of Education to determine state and district level management authority for the Hawaiian Studies Program.

The Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this measure. The Department of Education commented on the measure.

Your Committee supports the continuation of a strong Hawaiian Studies Program and reaffirms its commitment to carrying out its original purpose.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 98 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 1346 Hawaiian Affairs on H.C.R. No. 281

The purpose of this concurrent resolution is to request the Department of Education, in conjunction with Aha Kauleo Kaiapuni Hawaii, to develop a long-range financial and operational plan to ensure the development of the Hawaiian Language Immersion Program.

The Oahu Council of the Association of Hawaiian Civic Clubs and the Office of Hawaiian Affairs submitted testimony in support of this measure. The Department of Education submitted testimony in support of the intent of this measure.

Your Committee recognizes the need for an implementation plan that will guide future funding requests and ensure the continued success of the Hawaiian Language Immersion Plan.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 281 and recommends that it be referred to the Committee on Education.

Signed by all members of the Committee.

SCRep. 1347 Hawaiian Affairs on H.C.R. No. 278

The purpose of this concurrent resolution is to request the Department of Education (DOE) to:

- (1) Conduct a six-year pilot program in Hawaiian language education through the establishment and operation of four specified K-12 schools;
- (2) Appropriate necessary funds to provide transportation services, curriculum development and dissemination, equipment and supplies, repair and maintenance, and salaries and professional development;
- (3) Equalize the per pupil expenditure between students educated exclusively in one of the State's two official languages;
- (4) Allow private nonprofit organizations to administer Hawaiian language medium schools through contracts with the Office of Hawaiian Affairs; and
- (5) Support the Niihau and other regional Hawaiian language dialects in the home and the community, while maintaining standard Hawaiian as the instructional medium in the schools.

The Office of Hawaiian Affairs and the Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this concurrent resolution. The Department of Education opposed this measure.

Your Committee recognizes the State's responsibility for preserving and perpetuating the Hawaiian language in our schools. To this end, your Committee believes that the DOE should give good faith consideration to the requests presented in this concurrent resolution.

Your Committee has amended this measure by:

- (1) Requesting the DOE to submit a report detailing its analysis and reasons, as well as specific proposals for further legislation to accomplish the purposes of this concurrent resolution, to the Legislature no later than twenty days prior to the convening of the Regular Session of 1998, if the DOE, upon full good faith consideration of the requests provided in this concurrent resolution, declines to comply with these requests;
- (2) Requiring that certified copies of this concurrent resolution be transmitted to the Superintendent of Education and the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs; and
- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 278, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.C.R. No. 278, HD 1.

Signed by all members of the Committee.

SCRep. 1348 Hawaiian Affairs on H.R. No. 199

The purpose of this resolution is to request the Department of Education (DOE) to:

- (1) Conduct a six-year pilot program in Hawaiian language education through the establishment and operation of four specified K-12 schools;
- (2) Appropriate necessary funds to provide transportation services, curriculum development and dissemination, equipment and supplies, repair and maintenance, and salaries and professional development;
- (3) Equalize the per pupil expenditure between students educated exclusively in one of the State's two official languages;
- (4) Allow private nonprofit organizations to administer Hawaiian language medium schools through contracts with the Office of Hawaiian Affairs; and
- (5) Support the Niihau and other regional Hawaiian language dialects in the home and the community, while maintaining standard Hawaiian as the instructional medium in the schools.

The Office of Hawaiian Affairs and the Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this resolution. The Department of Education opposed this measure.

Your Committee recognizes the State's responsibility for preserving and perpetuating the Hawaiian language in our schools. To this end, your Committee believes that the DOE should give good faith consideration to the requests presented in this resolution.

Your Committee has amended this measure by:

- (1) Requesting the DOE to submit a report detailing its analysis and reasons, as well as specific proposals for further legislation to accomplish the purposes of this resolution, to the Legislature no later than twenty days prior to the convening of the Regular Session of 1998, if the DOE, upon full good faith consideration of the requests provided in this resolution, declines to comply with these requests;
- (2) Requiring that certified copies of this resolution be transmitted to the Superintendent of Education and the Chairperson of the Board of Trustees of the Office of Hawaiian Affairs; and

- (3) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 199, as amended herein, and recommends that it be referred to the Committee on Education, in the form attached hereto as H.R. No. 199, HD 1.

Signed by all members of the Committee.

SCRep. 1349 Hawaiian Affairs on H.C.R. No. 186

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to establish a community-based, cooperative effort to restore and maintain one or more of the remaining fishponds in Pearl Harbor.

The DLNR, the Office of Hawaiian Affairs, the Oahu Council of the Association of Hawaiian Civic Clubs, an advisor to the Pearl Harbor 21 Project, and the state Representative of the 37th District testified in support of this measure. Na Koa Ikaika and an individual testified in opposition to this measure. The Office of Special Programs and Community Services for Leeward Community College submitted comments on this measure.

Your Committee recognizes the importance of Hawaiian fishponds to our cultural heritage and believes that the restoration project will enrich not only the Pearl Harbor community, but Hawaii's community at-large.

Your Committee has amended this measure by:

- (1) Requesting that the DLNR work in cooperation with those knowledgeable in the construction and operation of native Hawaiian fishponds; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 186, as amended herein, and recommends that it be referred to the Committee on Ocean Recreation and Marine Resources, in the form attached hereto as H.C.R. No. 186, HD 1.

Signed by all members of the Committee.

SCRep. 1350 Hawaiian Affairs on H.R. No. 121

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to establish a community-based, cooperative effort to restore and maintain one or more of the remaining fishponds in Pearl Harbor.

The DLNR, the Office of Hawaiian Affairs, the Oahu Council of the Association of Hawaiian Civic Clubs, an advisor to the Pearl Harbor 21 Project, and the state Representative of the 37th District testified in support of this measure. Na Koa Ikaika and an individual testified in opposition to this measure. The Office of Special Programs and Community Services for Leeward Community College submitted comments on this measure.

Your Committee recognizes the importance of Hawaiian fishponds to our cultural heritage and believes that the restoration project will enrich not only the Pearl Harbor community, but Hawaii's community at-large.

Your Committee has amended this measure by:

- (1) Requesting that the DLNR work in cooperation with those knowledgeable in the construction and operation of native Hawaiian fishponds; and
- (2) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 121, as amended herein, and recommends that it be referred to the Committee on Ocean Recreation and Marine Resources, in the form attached hereto as H.R. No. 121, HD 1.

Signed by all members of the Committee.

SCRep. 1351 Hawaiian Affairs on H.C.R. No. 185

The purpose of this concurrent resolution is to request the Office of Hawaiian Affairs (OHA) to report to the Legislature on ways to preserve and protect the sacred pohaku of Waikiki.

The Association of Hawaiian Civic Clubs and the Oahu Council of the Association of Hawaiian Civic Clubs testified in support of this measure. OHA testified in support of the intent of this measure.

Your Committee recognizes the historical significance of the sacred pohaku and the need to ensure that the pohaku are properly protected and recognized.

Your Committee has amended this measure by correcting a typographical error and making technical, nonsubstantive amendments for purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 185, as amended herein, and recommends that it be referred to the Committee on Water and Land Use, in the form attached hereto as H.C.R. No. 185, HD 1.

Signed by all members of the Committee.

SCRep. 1352 Hawaiian Affairs on H.C.R. No. 224

The purpose of this concurrent resolution is to encourage Hawaii's business leaders to consider native Hawaiians equally with all other candidates for top decision-making positions.

The Office of Hawaiian Affairs and the Department of Business, Economic Development, and Tourism testified in support of this measure. A concerned individual testified in opposition to this measure.

Your Committee recognizes the importance of encouraging the involvement of native Hawaiians in all levels of decision-making that will affect and shape the future of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 224, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.C.R. No. 224, HD 1.

Signed by all members of the Committee.

SCRep. 1353 Hawaiian Affairs on H.R. No. 154

The purpose of this resolution is to encourage Hawaii's business leaders to consider native Hawaiians equally with all other candidates for top decision-making positions.

The Office of Hawaiian Affairs and the Department of Business, Economic Development, and Tourism testified in support of this measure. A concerned individual testified in opposition to this measure.

Your Committee recognizes the importance of encouraging the involvement of native Hawaiians in all levels of decision-making that will affect and shape the future of Hawaii.

Your Committee has amended this measure by making technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 154, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.R. No. 154, HD 1.

Signed by all members of the Committee.

SCRep. 1354 Agriculture on H.C.R. No. 257

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to work with other agencies and Big Island community organizations to determine how the timber industry and the Hilo-Hamakua community can work together to help determine the future of that community.

Testimony in support of this measure was received from DLNR. Comments were submitted by the Department of Agriculture and Hamakua Timber.

Your Committee recognizes the immense potential of the commercial forest industry to help address the economic and social needs of our State. Your Committee further recognizes the importance of community residents to be apprised of the nature of the commercial forest industry. This measure provides a means to create a positive working relationship between the industry and the community, as well as to educate the community of this industry, while supporting efforts to provide sound and responsible employment and economic opportunities in the State. However, it is not the intent of this measure to create any further regulatory schemes or to establish further obstacles for a forestry initiative.

Your Committee notes that nothing precludes the commercial forest industry and affected communities from engaging in continued dialogue regarding their concerns. Despite the absence of legislative measures such as this, the industry has taken the initiative to educate the public of its activities and the actions it has taken to encourage reasonable and responsible silvicultural activities. For example, since its inception in March 1996, Hamakua Timber and its personnel have participated in over 100 community forums, TV presentations, conferences, and symposiums with ongoing community education regarding silvicultural activities and techniques.

Upon due consideration, your Committee has amended this concurrent resolution by:

- (1) Changing the title of the concurrent resolution to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO WORK WITH OTHER AGENCIES AND BIG ISLAND COMMUNITY ORGANIZATIONS TO DETERMINE HOW THE COMMERCIAL FOREST INDUSTRY AND THE HILO-

HAMAKUA COMMUNITY CAN WORK TOGETHER TO HELP DETERMINE THE FUTURE OF THAT COMMUNITY";

- (2) Requesting DLNR to work with other agencies and Big Island community organizations to determine how the commercial forest industry and the Hilo-Hamakua community can work together to help determine the future of that community;
- (3) Clarifying that Hamakua Timber, rather than Prudential Timber Investments, will grow eucalyptus trees on portions of former sugar cane lands it has leased from Bishop Estate, and deleting references to Prudential Timber Investments from the measure;
- (4) Specifying that:
 - (a) The Hawaii Forestry and Communities Initiative was launched in January 1997, and has received federal and state funds to strengthen rural community economics through forestry;
 - (b) The intent of this measure is not to create any further regulatory schemes nor to establish any further obstacles for a forestry initiative; and
 - (c) Establishing a collaborative model that will allow community discussion to facilitate a better understanding and the likelihood of greater acceptance of forestry by the community;
- (5) Changing references to the "timber industry" to the "commercial forest industry";
- (6) Adding to the list of group participants, the Hawaii Forest Industry Association, and deleting from the list, Prudential Timber Investments;
- (7) Requesting that a copy of this measure be transmitted to Hamakua Timber; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 257, as amended herein, and recommends that it be referred to the Committee on Water and Land Use, in the form attached hereto as H.C.R. No. 257, HD 1.

Signed by all members of the Committee except Representatives Chang, Takai, White and McDermott.

SCRep. 1355 Agriculture on H.R. No. 184

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to work with other agencies and Big Island community organizations to determine how the timber industry and the Hilo-Hamakua community can work together to help determine the future of that community.

Testimony in support of this measure was received from DLNR. Comments were submitted by the Department of Agriculture and Hamakua Timber.

Your Committee recognizes the immense potential of the commercial forest industry to help address the economic and social needs of our State. Your Committee further recognizes the importance of community residents to be apprised of the nature of the commercial forest industry. This measure provides a means to create a positive working relationship between the industry and the community, as well as to educate the community of this industry, while supporting efforts to provide sound and responsible employment and economic opportunities in the State. However, it is not the intent of this measure to create any further regulatory schemes or to establish further obstacles for a forestry initiative.

Your Committee notes that nothing precludes the commercial forest industry and affected communities from engaging in continued dialogue regarding their concerns. Despite the absence of legislative measures such as this, the industry has taken the initiative to educate the public of its activities and the actions it has taken to encourage reasonable and responsible silvicultural activities. For example, since its inception in March 1996, Hamakua Timber and its personnel have participated in over 100 community forums, TV presentations, conferences, and symposiums with ongoing community education regarding silvicultural activities and techniques.

Upon due consideration, your Committee has amended this resolution by:

- (1) Changing the title of the resolution to read: "REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO WORK WITH OTHER AGENCIES AND BIG ISLAND COMMUNITY ORGANIZATIONS TO DETERMINE HOW THE COMMERCIAL FOREST INDUSTRY AND THE HILO-HAMAKUA COMMUNITY CAN WORK TOGETHER TO HELP DETERMINE THE FUTURE OF THAT COMMUNITY";
- (2) Requesting DLNR to work with other agencies and Big Island community organizations to determine how the commercial forest industry and the Hilo-Hamakua community can work together to help determine the future of that community;
- (3) Clarifying that Hamakua Timber, rather than Prudential Timber Investments, will grow eucalyptus trees on portions of former sugar cane lands it has leased from Bishop Estate, and deleting references to Prudential Timber Investments from the measure;
- (4) Specifying that:

- (a) The Hawaii Forestry and Communities Initiative was launched in January 1997, and has received federal and state funds to strengthen rural community economics through forestry;
- (b) The intent of this measure is not to create any further regulatory schemes nor to establish any further obstacles for a forestry initiative; and
- (c) Establishing a collaborative model that will allow community discussion to facilitate a better understanding and the likelihood of greater acceptance of forestry by the community;
- (5) Changing references to the "timber industry" to the "commercial forest industry";
- (6) Adding to the list of group participants, the Hawaii Forest Industry Association, and deleting from the list, Prudential Timber Investments;
- (7) Requesting that a copy of this measure be transmitted to Hamakua Timber; and
- (8) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 184, as amended herein, and recommends that it be referred to the Committee on Water and Land Use, in the form attached hereto as H.R. No. 184, HD 1.

Signed by all members of the Committee except Representatives Chang, Takai, White and McDermott.

SCRep. 1356 Culture and the Arts on H.C.R. No. 258

The purpose of this concurrent resolution is to endorse the efforts of Hui Okinawa and the Japanese Chamber of Commerce's International Festival to seek assurances from the Department of Land and Natural Resources to make the Wailoa State Park the permanent site for the annual Haari Boat Races.

Testimony in support of the measure was submitted by Hui Okinawa and the Board of Land and Natural Resources (BLNR).

Your Committee finds that the Haari Boat Race has been instrumental in fostering a mutually beneficial relationship between the County of Hawaii and the City of Nago, Okinawa, Japan. This event has drawn the participation of the Mayor and various Councilmen of Nago City, the Chamber of Commerce of Okinawa, and teams representing Okinawa. The Haari Boat Race has led to the signing of a sister university agreement between the University of Hawaii at Hilo and Meio University in Nago. This event has been the catalyst for exchanges in culture, business, tourism, government relations, education, and medicine.

Your Committee is encouraged that BLNR has expressed its willingness to discuss using Wailoa State Park for the Haari Boat Race.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 258 and recommends that it be referred to the Committees on Water and Land Use and Ocean Recreation and Marine Resources.

Signed by all members of the Committee except Representatives Takumi and Santiago.

SCRep. 1357 Culture and the Arts on H.R. No. 185

The purpose of this resolution is to endorse the efforts of Hui Okinawa and the Japanese Chamber of Commerce's International Festival to seek assurances from the Department of Land and Natural Resources to make the Wailoa State Park the permanent site for the annual Haari Boat Races.

Testimony in support of the measure was submitted by Hui Okinawa and the Board of Land and Natural Resources (BLNR).

Your Committee finds that the Haari Boat Race has been instrumental in fostering a mutually beneficial relationship between the County of Hawaii and the City of Nago, Okinawa, Japan. This event has drawn the participation of the Mayor and various Councilmen of Nago City, the Chamber of Commerce of Okinawa, and teams representing Okinawa. The Haari Boat Race has led to the signing of a sister university agreement between the University of Hawaii at Hilo and Meio University in Nago. This event has been the catalyst for exchanges in culture, business, tourism, government relations, education, and medicine.

Your Committee is encouraged that BLNR has expressed its willingness to discuss using Wailoa State Park for the Haari Boat Race.

As affirmed by the record of votes of the members of your Committee on Culture and the Arts that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 185 and recommends that it be referred to the Committees on Water and Land Use and Ocean Recreation and Marine Resources.

Signed by all members of the Committee except Representatives Takumi and Santiago.

SCRep. 1358 Public Safety and Military Affairs on H.C.R. No. 43

The purpose of this concurrent resolution is to request the U.S. Department of Justice Federal Bureau of Prisons to expedite the construction of a six hundred and fifty bed federal detention center on Oahu.

Your Committee finds that expediting the construction of the federal detention center on Oahu is worthy of pursuit as a means of alleviating Hawaii's critical lack of prison space, through the release of bed space currently being used at state correctional facilities to house federal detainees. Furthermore, your Committee finds that the construction of the federal detention center would provide significant and continuing economic benefits to Hawaii due to the construction and operation of the detention center.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 43 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1359 Public Safety and Military Affairs on H.R. No. 40

The purpose of this resolution is to request the U.S. Department of Justice Federal Bureau of Prisons to expedite the construction of a six hundred and fifty bed federal detention center on Oahu.

Your Committee finds that expediting the construction of the federal detention center on Oahu is worthy of pursuit as a means of alleviating Hawaii's critical lack of prison space, through the release of bed space currently being used at state correctional facilities to house federal detainees. Furthermore, your Committee finds that the construction of the federal detention center would provide significant and continuing economic benefits to Hawaii due to the construction and operation of the detention center.

As affirmed by the record of votes of the members of your Committee on Public Safety and Military Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 40 and recommends its adoption.

Signed by all members of the Committee except Representative Tom.

SCRep. 1360 Higher Education on H.C.R. No. 4

The purpose of this concurrent resolution is to request the President of the University of Hawaii (University) to develop a Strategic Plan for outreach activities, including activities utilizing technological advances to make education accessible to people over large geographic areas in nontraditional ways.

While supporting the intent of the concurrent resolution, the University testified that the measure is unnecessary because the University is significantly involved in outreach/distance education utilizing a full range of telecommunications technology. Further, the University is in a planning process relating to distance education.

Responding to questions by your Committee, the University stated that it expects to have a draft plan developed by next year, and that it has no objections to making a report to the Legislature about this plan.

Your Committee is pleased that the University intends to develop a plan that includes time-specific objectives, and would like to keep informed about it. The measure has been amended to focus on an implementation plan by:

- (1) Describing the role of outreach and distance education programs in the University Strategic Plan;
- (2) Commending the University for its outreach efforts;
- (3) Noting that the resources dedicated to outreach and distance education will be quite sizeable in terms of time and money;
- (4) Resolving that the University develop an implementation plan for outreach and distance education programs;
- (5) Resolving that the plan include certain characteristics;
- (6) Changing the due date of the report from ten days to twenty days prior to the convening of the 1998 Regular Session; and
- (7) Changing the title to conform with amendments to the body of the measure.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 4, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 4, HD 1.

Signed by all members of the Committee except Representatives Tarnas, Yonamine, Halford and McDermott.

SCRep. 1361 Public Safety and Military Affairs and Judiciary on H.C.R. No. 48

The purpose of this concurrent resolution is to urge the members of Hawaii's Congressional Delegation to introduce and support legislation permitting the adult children of Filipino veterans of World War II to immigrate to the United States without limit as to number and without the requirement of financial sponsorship.

Testimony in support of this concurrent resolution was submitted by Mr. Walter M. Ozawa, Director, Office of Veterans Services, and members of the WW II Fil-Am Veterans, Hawaii Chapter.

Your Committees find that the issue of immigration policy in regard to the Filipino veterans of World War II was not resolved by the special provision in the Immigration Act of 1990 allowing these veterans another opportunity to become American citizens. As the family members of these veterans were not included in the Act, many of these veterans, who have since immigrated to the United States and become naturalized American citizens, are past the age of retirement, living alone, and on very limited incomes.

Your Committees further recognize that where the adult children, many of whom are educated professionals, of these veterans permitted to immigrate to the U.S., they would provide their fathers with economic as well as emotional support.

Accordingly, your Committees, in order to preserve family unity and as a humanitarian measure, have amended this concurrent resolution to include the spouses of Filipino veterans of World War II, as well as their children.

Furthermore, your Committees have also amended this concurrent resolution to include a "BE IT FURTHER RESOLVED" clause recognizing the potential of the Filipino-American community, in conjunction with other community groups, government agencies, and private organizations, to help the immigrating children and spouses adjust to their new country and acquire meaningful work that would allow them to contribute to society as a whole.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 48, as amended herein, and recommend its adoption in the form attached hereto as H.C.R. No. 48, HD 1.

Signed by all members of the Committees except Representatives Yamane, Hiraki, Menor, Yoshinaga and Pendleton.

SCRep. 1362 Public Safety and Military Affairs and Judiciary on H.R. No. 44

The purpose of this resolution is to urge the members of Hawaii's Congressional Delegation to introduce and support legislation permitting the adult children of Filipino veterans of World War II to immigrate to the United States without limit as to number and without the requirement of financial sponsorship.

Testimony in support of this resolution was submitted by Mr. Walter M. Ozawa, Director, Office of Veterans Services, and members of the WW II Fil-Am Veterans, Hawaii Chapter.

Your Committees find that the issue of immigration policy in regard to the Filipino veterans of World War II was not resolved by the special provision in the Immigration Act of 1990 allowing these veterans another opportunity to become American citizens. As the family members of these veterans were not included in the Act, many of these veterans, who have since immigrated to the United States and become naturalized American citizens, are past the age of retirement, living alone, and on very limited incomes.

Your Committees further recognize that where the adult children, many of whom are educated professionals, of these veterans permitted to immigrate to the U.S., they would provide their fathers with economic as well as emotional support.

Accordingly, your Committees, in order to preserve family unity and as a humanitarian measure, have amended this resolution to include the spouses of Filipino veterans of World War II, and children.

Furthermore, your Committees have also amended this resolution to include a "BE IT FURTHER RESOLVED" clause recognizing the potential of the Filipino-American community, in conjunction with other community groups, government agencies, and private organizations, to help the immigrating children and spouses adjust to their new country and acquire meaningful work that would allow them to contribute to society as a whole.

As affirmed by the records of votes of the members of your Committees on Public Safety and Military Affairs and Judiciary that are attached to this report, your Committees concur with the intent and purpose of H.R. No. 44, as amended herein, and recommend its adoption in the form attached hereto as H.R. No. 44, HD 1.

Signed by all members of the Committees except Representatives Yamane, Hiraki, Menor, Yoshinaga and Pendleton.

SCRep. 1363 Ocean Recreation and Marine Resources on H.C.R. No. 130

The purpose of this concurrent resolution is to recognize the Hawaii Yacht Club for its community and youth activities, and supports its efforts to secure a long-term lease for continued use of its present site.

Testimony in support of the concurrent resolution was received from the Department of Land and Natural Resources, Boats/Hawaii, Inc. and several members of the Hawaii Yacht Club.

Your Committee finds that the Hawaii Yacht Club has contributed a great deal to the community over the nearly one hundred years of its existence. Your Committee also finds that the legislature should support its effort to obtain a new long term lease for its current site.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 130 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1364 Ocean Recreation and Marine Resources on H.R. No. 106

The purpose of this resolution is for the Legislature to express its intent to support ship operations at the University of Hawaii by declaring its intent to appropriate \$600,000 per year beginning July 1, 1999 for marine operations, student research cruises, marine instrument development and other seagoing activities, contingent upon the award of the operation of the new oceanographic SWATH or SLICE ship to the University of Hawaii.

Testimony in support of the resolution was received from the Senior Vice President for Research and Dean of the Graduate Division, University of Hawaii and an interested individual.

Your Committee finds that this legislature should commit itself to supporting the University of Hawaii in its effort to secure the new SWATH or SLICE ship being built with federal funds as a replacement for its ship the Moana Wave.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 106 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1365 Ocean Recreation and Marine Resources on H.C.R. No. 166

The purpose of this concurrent resolution is for the Legislature to express its intent to support ship operations at the University of Hawaii by declaring its intent to appropriate \$600,000 per year beginning July 1, 1999 for marine operations, student research cruises, marine instrument development and other seagoing activities, contingent upon the award of the operation of the new oceanographic SWATH or SLICE ship to the University of Hawaii.

Testimony in support of the concurrent resolution was received from the Senior Vice President for Research and Dean of the Graduate Division, University of Hawaii and an interested individual.

Your Committee finds that this legislature should commit itself to supporting the University of Hawaii in its effort to secure the new SWATH or SLICE ship being built with federal funds as a replacement for its ship the Moana Wave.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 166 and recommends that it be referred to the Committee on Higher Education.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1366 Ocean Recreation and Marine Resources on H.C.R. No. 196

The purpose of this concurrent resolution is to request that a task force be established to develop a master plan to protect Maunalua Bay.

Your Committee finds that Maunalua Bay is an important natural and recreational resource that has seen significant increases in fishing pressure, recreational uses and coastal development which has resulted in increasing conflicts of uses and stresses on these resources. Your Committee also finds that the community is committed to working with the Department of Land and Natural Resources (DLNR) to develop a plan and implement it.

Testimony in opposition to this measure was received from DLNR because of funding concerns.

Supporting testimony was received from the University of Hawaii, Hawaii Institute of Marine Biology and several individuals and organizations associated with the bay requesting to be represented on the task force.

Accordingly, your Committee amended the measure with the following:

- 1) Making it clear that a financial commitment is necessary for success in addition to community involvement;
- 2) Specifying that ocean recreation issues must be addressed as well as aquatic resource issues;
- 3) Specifying that the City and County of Honolulu Department of Land Utilization shall be represented on this task force; and
- 4) Add three more representatives, one each from the fishing community, ocean recreation industry and the Paiko Community Association.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 196, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 196, HD 1.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1367 Higher Education on H.C.R. No. 161

The purpose of this concurrent resolution is to request the Director of Transportation to study ways to improve vehicular access, both to and from, the Leeward Community College campus.

The University of Hawaii and the Department of Transportation (DOT) submitted testimony in support of the concurrent resolution.

In supporting the measure, DOT explained that a study for improving access to Leeward Community College will be performed as part of its planning projects.

Your Committee has amended the concurrent resolution by adding a WHEREAS clause describing the DOT access study.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 161, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.C.R. No. 161, HD 1.

Signed by all members of the Committee except Representatives Stegmaier, Takumi, Yonamine and Halford.

SCRep. 1368 Higher Education on H.R. No. 102

The purpose of this resolution is to request the Director of Transportation to study ways to improve vehicular access, both to and from, the Leeward Community College campus.

The University of Hawaii and the Department of Transportation (DOT) submitted testimony in support of the resolution.

In supporting the measure, DOT explained that a study for improving access to Leeward Community College will be performed as part of its planning projects.

Your Committee has amended the resolution by adding a WHEREAS clause describing the DOT access study.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 102, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.R. No. 102, HD 1.

Signed by all members of the Committee except Representatives Stegmaier, Takumi, Yonamine and Halford.

SCRep. 1369 Tourism on H.C.R. No. 167

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of privatizing the convention center.

Your Committee received testimony as follows:

1. Watson Consultants, in support; and
2. Department of Business, Economic Development, and Tourism, Convention Center Authority, in comment.

Your Committee finds that the important role of the convention center in the visitor industry requires that the state consider all possible options in maximizing the efficiency in the operation of the center and reducing the debt service costs.

Your Committee revised this resolution by:

1. Adding that the study examine whether a sale of the facility to a private organization, or sale and leaseback would be advantageous;
2. Adding the Convention Center Authority to the recipients of certified copies; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 167, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.C.R. No. 167, HD 1.

Signed by all members of the Committee except Representatives Jones, White and Aiona.

SCRep. 1370 Tourism on H.R. No. 107

The purpose of this resolution is to request the Legislative Reference Bureau to study the feasibility of privatizing the convention center.

Your Committee received testimony as follows:

1. Watson Consultants, in support; and

2. Department of Business, Economic Development, and Tourism, Convention Center Authority, in comment.

Your Committee finds that the important role of the convention center in the visitor industry requires that the state consider all possible options in maximizing the efficiency in the operation of the center and reducing the debt service costs.

Your Committee revised this resolution by:

1. Adding that the study examine whether a sale of the facility to a private organization, or sale and leaseback would be advantageous;
2. Adding the Convention Center Authority to the recipients of certified copies; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 107, as amended herein, and recommends that it be referred to the Committee on Labor and Public Employment, in the form attached hereto as H.R. No. 107, HD 1.

Signed by all members of the Committee except Representatives Jones, White and Aiona.

SCRep. 1371 Transportation on H.C.R. No. 286

The purpose of House Concurrent Resolution No. 286, as referred to your Committee on Transportation, is to expedite traffic flow for the Waianae Coast community.

Your Committee finds that infrastructure needs have not kept pace with the increased traffic flow in the Waianae Coast area. Many additional housing units have been constructed, generating additional traffic volume on Farrington Highway. Your Committee further finds that despite the widening of Farrington Highway, that it is still insufficient to handle the large volume of traffic, and also presents a danger to pedestrians who find it necessary to cross the highway to get to the beaches and parks.

This House Concurrent Resolution proposes to remedy the situation by requesting the Department of Transportation to give priority to construction of the mauka highway as an alternative highway to Farrington Highway on the leeward coast. There is a possibility that federal defense funds may be available because of safety issues involved in the transportation of munitions associated with the Naval Magazine, Lualualei.

The Department of Transportation testified that a study to determine the feasibility of the Mauka Highway will soon be made.

Your Committee has amended House Concurrent Resolution No. 286 by supplying the current name for the former Lualualei Ammunition Depot, to read "Naval Magazine, Lualualei."

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 286, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 286, HD 1.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1372 Transportation on H.R. No. 203

The purpose of House Resolution No. 203, as referred to your Committee on Transportation, is to expedite traffic flow for the Waianae Coast community.

Your Committee finds that infrastructure needs have not kept pace with the increased traffic flow in the Waianae Coast area. Many additional housing units have been constructed, generating additional traffic volume on Farrington Highway. Your Committee further finds that despite the widening of Farrington Highway, that it is still insufficient to handle the large volume of traffic, and also presents a danger to pedestrians who find it necessary to cross the highway to get to the beaches and parks.

This House Resolution proposes to remedy the situation by requesting the Department of Transportation to give priority to construction of the mauka highway as an alternative highway to Farrington Highway on the leeward coast. There is a possibility that federal defense funds may be available because of safety issues involved in the transportation of munitions associated with the Naval Magazine, Lualualei.

The Department of Transportation testified that a study to determine the feasibility of the Mauka Highway will soon be made.

Your Committee has amended House Resolution No. 203 by supplying the current name for the former Lualualei Ammunition Depot, to read "Naval Magazine, Lualualei."

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 203, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 203, HD 1.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1373 Transportation on H.C.R. No. 131

The purpose of this House Concurrent Resolution, as referred to your Committee on Transportation, is to request the Judiciary to require service in the Community-Traffic Awareness Partnership (C-TAP) Program as a sentencing option for those convicted of multiple traffic infractions.

Your Committee finds that the C-TAP Program serves as a reminder to motorists of their responsibilities as drivers on the State's roadways. Further, the program encourages and educates motorists to be safer drivers.

Testimony received from the Judiciary expressed some concerns regarding the enforcement of this measure and offered some amendments to clarify the language.

Upon further consideration, your Committee has amended this resolution by replacing lines 5 and 6 on page 2 with language that broadens the court's sentencing options to include other programs to be utilized as a form of community service. Further, the amended language clarifies that this form of community service is only an option for sentencing.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 131, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 131, HD 1.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1374 Transportation on H.R. No. 81

The purpose of this House Resolution, as referred to your Committee on Transportation, is to request the Judiciary to require service in the Community-Traffic Awareness Partnership (C-TAP) Program as a sentencing option for those convicted of multiple traffic infractions.

Your Committee finds that the C-TAP Program serves as a reminder to motorists of their responsibilities as drivers on the State's roadways. Further, the program encourages and educates motorists to be safer drivers.

Testimony received from the Judiciary expressed some concerns regarding the enforcement of this measure and offered some amendments to clarify the language.

Upon further consideration, your Committee has amended this resolution by replacing lines 5 and 6 on page 2 with language that broadens the court's sentencing options to include other programs to be utilized as a form of community service. Further, the amended language clarifies that this form of community service is only an option for sentencing.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 81, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 81, HD 1.

Signed by all members of the Committee except Representative Yonamine.

SCRep. 1375 Transportation on H.C.R. No. 6

The purpose of this concurrent resolution is to request the Director of Transportation to include an agricultural inspection facility in the design of cargo facilities at all airports.

Your Committee finds that agricultural inspection facilities are essential in preventing an introduction of alien species into Hawaii that may cause serious environmental effects. Despite widespread concern from the threat of this introduction into Hawaii's environment, agricultural inspection programs have not improved.

This concurrent resolution requests the Department of Transportation (DOT) to incorporate into the design and construction of the cargo facilities in statewide airports an agricultural inspection of incoming freight and general cargo to help protect the State against the introduction of alien species.

The DOT submitted testimony that raised concerns about the costs to require all cargo entering Honolulu International Airport (HIA) be inspected indoors, since none of the seven major cargo buildings at HIA are capable of inspecting all cargo indoors. However, a cargo inspection building at Kahului Airport is a desired requirement and there are plans to evaluate the need for such facilities at the other six major airports.

Testimony was also received from the Board of Agriculture which supported the combination of cargo inspection and holding facilities only at key airports, since resources are currently not available for all seven airports.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 6 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1376 Human Services and Housing on H.C.R. No. 129

The purpose of this concurrent resolution is to urge the Hawaii congressional delegation and the Congress of the United States to support the historic tax credit.

It is believed that the historic homeownership tax credit will revive declining neighborhoods and communities, enlarge and stabilize the tax base of cities and small towns, and preserve and protect historic homes. Condominiums and cooperatives existing in historic homes or residences would be eligible for the tax credit also.

Both written and oral testimony received from the Historic Hawai'i Foundation, the Community Associations Institute, Hawaii Chapter, and the Preservation Action group all applauded this measure and the legislature for proposing it. Historic Hawai'i Foundation cited the Historic Investment Tax Credit for income producing buildings, enacted in 1986 by the U.S. Congress, and the positive impact it has had in terms of increased tax base, and the generation of construction jobs. This measure, it was agreed by the testifiers, would initiate the same types of benefits here in Hawaii.

Your Committee recognizes that there is a critical need in Hawaii for such work as this measure would spur and, after careful consideration of this concurrent resolution, the testimony submitted thereon, your Committee passes this measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 129 and recommends that it be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1377 Human Services and Housing on H.C.R. No. 255

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to support efforts in the United States Congress to provide assistance to legal, noncitizen immigrants who have been denied participation in the federal Supplemental Security Income Program and to return these individuals to the program.

The Department of Human Services, the American Friends Service Committee, the Honolulu Friends Meeting, the STRENGTH Coalition, and two concerned individuals submitted testimony in support of this measure.

Your Committee believes that it is an unconscionable public policy which would shut out legal, noncitizen immigrants from federal assistance. There is a serious contradiction when government subsidizes marketing by corporations overseas, yet cannot assist families, who, in large part, are people from countries with whom the U.S. has long had military and trade relations. Your Committee believes that those with no possible access to earned income and who are in poverty must be helped.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 255 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1378 Human Services and Housing on H.R. No. 182

The purpose of this resolution is to urge Hawaii's Congressional Delegation to support efforts in the United States Congress to provide assistance to legal, noncitizen immigrants who have been denied participation in the federal Supplemental Security Income Program and to return these individuals to the program.

The Department of Human Services, the American Friends Service Committee, the Honolulu Friends Meeting, the STRENGTH Coalition, and two concerned individuals submitted testimony in support of this measure.

Your Committee believes that it is an unconscionable public policy which would shut out legal, noncitizen immigrants from federal assistance. There is a serious contradiction when government subsidizes marketing by corporations overseas, yet cannot assist families, who, in large part, are people from countries with whom the U.S. has long had military and trade relations. Your Committee believes that those with no possible access to earned income and who are in poverty must be helped.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 182 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1379 Human Services and Housing on H.C.R. No. 174

The purpose of this concurrent resolution is to urge Hawaii's Congressional Delegation to:

- (1) Propose legislation providing options for, and humanitarian, emigration, and financial assistance to, Filipino Amerasians;
- (2) Support legislation to extend preferential treatment in the admission of Amerasian children to those children of American servicemembers born in the Philippines; and
- (3) Urge the President of the United States to communicate with the President of the Republic of the Philippines regarding this issue and to provide relief through Executive Order.

The Pearl S. Buck Foundation, Inc., the Oahu Filipino Community Council, and Child and Family Service submitted testimony in support of this measure.

Your Committee finds that Amerasian children fathered by U.S. citizens in the Philippines have become outcasts in their own communities because of their mixed heritage and their illegitimate status. As a nation that values justice and fairness, your Committee supports action to remove these children from further suffering and exploitation through appropriate resettlement programs.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 174 and recommends that it be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1380 Human Services and Housing on H.R. No. 114

The purpose of this resolution is to urge Hawaii's Congressional Delegation to:

- (1) Propose legislation providing options for, and humanitarian, emigration, and financial assistance to, Filipino Amerasians;
- (2) Support legislation to extend preferential treatment in the admission of Amerasian children to those children of American servicemembers born in the Philippines; and
- (3) Urge the President of the United States to communicate with the President of the Republic of the Philippines regarding this issue and to provide relief through Executive Order.

The Pearl S. Buck Foundation, Inc., the Oahu Filipino Community Council, and Child and Family Service submitted testimony in support of this measure.

Your Committee finds that Amerasian children fathered by U.S. citizens in the Philippines have become outcasts in their own communities because of their mixed heritage and their illegitimate status. As a nation that values justice and fairness, your Committee supports action to remove these children from further suffering and exploitation through appropriate resettlement programs.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 114 and recommends that it be referred to the Committee on Public Safety and Military Affairs.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1381 Human Services and Housing on H.C.R. No. 122

The purpose of this concurrent resolution is to request the Department of Human Services to conduct a study of the needs of minors ages fourteen to eighteen who are victims of domestic violence, and at the same time to conduct a research effort into the current level and extent of services and shelter provided to that same group of youths. This measure requests the formation of a task force, numbering at least fifteen members, to perform the above objectives.

Both written and oral testimony received from the Department of Human Services (DHS), the Office of Youth Services (OYS), the Hawaii State Commission On The Status Of Women, the Child & Family Service organization, the Domestic Violence Clearinghouse and Legal Hotline, and several concerned citizens, voiced the need for this study and related action. Among those testifying it seemed to be universally recognized that the age group fourteen to eighteen was a "gap group" who have difficulty receiving appropriate safe and secure shelter during domestic abuse situations. Teens are currently denied emergency shelter in adult domestic abuse shelters because of burdensome requirements and the reluctance of some services providers to accept them. These same teens and their parents, it was pointed out by the OYS Director, often view existing teen shelters more as institutions for incarceration for run-aways and violent youth, than as safe havens from domestic violence.

Your Committee recognizes that there is a crucial need in Hawaii for such study and, after careful consideration of this concurrent resolution, and the testimony submitted thereon, your Committee passes this measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 122 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1382 Human Services and Housing on H.R. No. 76

The purpose of this resolution is to request the Department of Human Services to conduct a study of the needs of minors ages fourteen to eighteen who are victims of domestic violence, and at the same time to conduct a research effort into the current level and extent of services and shelter provided to that same group of youths. This measure requests the formation of a task force, numbering at least fifteen members, to perform the above objectives.

Both written and oral testimony received from the Department of Human Services (DHS), the Office of Youth Services (OYS), the Hawaii State Commission On The Status Of Women, the Child & Family Service organization, the Domestic

Violence Clearinghouse and Legal Hotline, and several concerned citizens, voiced the need for this study and related action. Among those testifying it seemed to be universally recognized that the age group fourteen to eighteen was a "gap group" who have difficulty receiving appropriate safe and secure shelter during domestic abuse situations. Teens are currently denied emergency shelter in adult domestic abuse shelters because of burdensome requirements and the reluctance of some services providers to accept them. These same teens and their parents, it was pointed out by the OYS Director, often view existing teen shelters more as institutions for incarceration for run-aways and violent youth, than as safe havens from domestic violence.

Your Committee recognizes that there is a crucial need in Hawaii for such study and, after careful consideration of this resolution, and the testimony submitted thereon, your Committee passes this measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 76 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1383 Hawaiian Affairs on H.C.R. No. 276

The purpose of this concurrent resolution is to encourage facilitated discussions among all affected parties and, wherever possible, to develop consensus on the nature and extent of (a) rights customarily and traditionally exercised for subsistence, cultural, and religious purposes and reaffirmed in our state constitution, and (b) appropriate state regulation of such rights. Such discussions and consensus are encouraged in anticipation of further legislative consideration of specific state regulatory proposals in the Regular Session of 1998.

Testimony in support of this measure was received from the Office of Planning of the State Department of Business, Economic Development and Tourism, the Hawaii Business Roundtable, the Land Use Research Foundation of Hawaii, the Hawaii Leeward Planning Conference, and the Hawaii Association of Realtors. Testimony in opposition to this measure or to specific aspects of this measure was received from the Office of Hawaiian Affairs, the Oahu Council of the Association of Hawaiian Civic Clubs, and four individuals.

Article XII, Section 7 of the Hawaii Constitution, adopted as a result of the Constitutional Convention of 1978, provides:

The State reaffirms and shall protect all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by ahupua'a tenants who are descendants of native Hawaiians who inhabited the Hawaii Islands prior to 1778

However, that section goes on to state that the State's reaffirmation and protection undertaking is "subject to the right of the State to regulate such rights."

Article XII, Section 7, is often considered in conjunction with section 1-1, Hawaii Revised Statutes. That section provides in relevant part:

The common law of England, as ascertained by English and American decisions, is declared to be the common law of the State of Hawaii in all cases, except as otherwise expressly provided by the Constitution or laws of the United States, or by the laws of the State, or fixed by Hawaiian judicial precedent, or established by Hawaiian usage

In various decisions, the Supreme Court of Hawaii and other judicial and quasi-judicial bodies have attempted to reconcile the rights recognized in these sections with other rights arising from what is sometimes referred to as the "western" model of land ownership, which is based in large part on a landowner's entitlement to exclude others. The most well-known of these decisions was by the Hawaii Supreme Court in Public Access Shoreline Hawaii v. Hawaii County Planning Commission, 79 Hawaii 425, 903 P.2d 1246 (1995), commonly referred to as "PASH".

In PASH, the Supreme Court reviewed the development of private property rights and customary rights in Hawaii in the context of our state Constitution and statutes as well as judicial precedent. It stated in part as follows:

Our examination of the relevant legal developments in Hawaiian history leads us to the conclusion that the western concept of exclusivity is not universally applicable in Hawaii [However,] we reiterate that the State retains the ability to reconcile competing interests under article XII, section 7.

The Court also reviewed the extent to which rights reaffirmed under Article XII, section 7 of our Constitution or otherwise arising could be exercised on undeveloped versus partially developed versus fully developed private property. While noting that "we choose not to scrutinize the various gradations in property use that fall between the terms 'undeveloped' and 'fully developed[.]'" the Court stated:

Depending on the circumstances of each case, once land has reached the point of "full development" it may be inconsistent to allow or enforce the practice of traditional Hawaiian gathering rights on such property.

Finally the Court noted:

[T]he State is authorized to impose appropriate regulations to govern the exercise of native Hawaiian rights in conjunction with permits issued for the development of land previously undeveloped or not yet fully developed.

But, the Court concluded, "legitimate customary and traditional practices must be protected to the extent feasible in accordance with article XII, section 7".

A number of proposals were submitted during the current legislative session addressing PASH and suggesting various forms of appropriate state regulation. H.B. No. 1920, for example, proposed what appears to be the functional equivalent of a quiet title action for rights reaffirmed under article XII, section 7. H.B. No. 1536 proposed to incorporate a native Hawaiian cultural impact statement into portions of our land use approval process, while S.B. No. 8 proposed a system of registration of traditional and customary rights with the State Land Use Commission.

These proposals received lengthy and often emotional hearings by their respective committees of first referral. The testimony of landowners and related others tended to focus on the purported consequences of what they view as uncertainty regarding the nature and extent of property rights as a result of PASH. The testimony of traditional and customary rightholders and related others tended to focus on concerns over any diminution of rights they view as arising from or confirmed in PASH. Largely missing from the testimony was any indication of any substantial dialogue among the affected parties and effort at consensus as to the issues specifically left unresolved by PASH, primarily the specific nature and scope of affected rights and of appropriate state regulation.

Your Committee does not accept the status quo as ultimately beneficial to any concerned party or to the State as a whole. Your Committee agrees with the Supreme Court of Hawaii in PASH that it is a proper state function to reconcile competing interests and provide appropriate and reasonable state regulation.

However, in considering the substantive proposals before it and in analyzing the testimony, your Committee does not believe that it has been presented with a full range of available options together with fully articulated benefits and detriments of each option, nor, as noted earlier, that the various affected parties have made any substantial effort at meaningful discussion and consensus. Accordingly, your Committee has elected to defer the substantive proposals with the announced intention of taking up these and other possibilities in depth during the Regular Session of 1998.

In conjunction with this intention, your Committee wishes to provide a specific legislative request that all affected parties engage in mutual good faith discussions to identify and address all related issues, articulate and explain specific proposals, and seek consensus prior to the Regular Session of 1998. This measure makes that request and suggests that the Office of Planning undertake to serve as a strictly neutral facilitator of that process, with assistance from others if potentially beneficial.

Your Committee wishes the scope of discussion and of potential options to be as broad as possible and to be established by the range of needs and concerns of the parties themselves. Without limitation, however, your Committee notes the following issues left unresolved by PASH and/or raised by the proposals, testimony, and public discourse thus far:

- (1) Who is entitled to exercise what rights in what fashion (time, place, manner);
- (2) How is the range between "undeveloped" and "fully developed" to be articulated;
- (3) How are acknowledged and recognized rights to be confirmed;
- (4) How is public notice to be provided for acknowledged and recognized rights; and
- (5) How are disputes over rights to be resolved.

In testimony on this measure, concern was expressed over whether the Office of Planning could function impartially and whether another state agency, specifically the Department of Land and Natural Resources (DLNR), was preferable. Your Committee reiterates this measure's specific request that the Office of Planning "function solely as a facilitator and information resource and not as an advocate for any position," and believes that the Office of Planning will comply.

However, upon due consideration of this and other points in the testimony, your Committee has amended this measure by:

- (1) Requesting that the Office of Planning act in consultation with DLNR;
- (2) Requesting the Office of Planning to provide a monthly status report to any person asking for such a report;
- (3) Providing that a certified copy of this measure be transmitted to the DLNR; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee recognizes that the effort requested by this measure will be a difficult one, as is any effort which seeks the resolution of what initially appear to be competing interests. However, your Committee also recognizes this effort as necessary, and sincerely believes that it will prove highly productive to a reasonable, informed, and workable resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 276, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 276, HD 1.

Signed by all members of the Committee.

The purpose of this resolution is to encourage facilitated discussions among all affected parties and, wherever possible, to develop consensus on the nature and extent of (a) rights customarily and traditionally exercised for subsistence, cultural, and religious purposes and reaffirmed in our state constitution, and (b) appropriate state regulation of such rights. Such discussions and consensus are encouraged in anticipation of further legislative consideration of specific state regulatory proposals in the Regular Session of 1998.

Testimony in support of this measure was received from the Office of Planning of the State Department of Business, Economic Development and Tourism, the Hawaii Business Roundtable, the Land Use Research Foundation of Hawaii, the Hawaii Leeward Planning Conference, and the Hawaii Association of Realtors. Testimony in opposition to this measure or to specific aspects of this measure was received from the Office of Hawaiian Affairs, the Oahu Council of the Association of Hawaiian Civic Clubs, and four individuals.

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However, that section goes on to state that the State's reaffirmation and protection undertaking is "subject to the right of the State to regulate such rights."

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In various decisions, the Supreme Court of Hawaii and other judicial and quasi-judicial bodies have attempted to reconcile the rights recognized in these sections with other rights arising from what is sometimes referred to as the "western" model of land ownership, which is based in large part on a landowner's entitlement to exclude others. The most well-known of these decisions was by the Hawaii Supreme Court in Public Access Shoreline Hawaii v. Hawaii County Planning Commission, 79 Hawaii 425, 903 P.2d 1246 (1995), commonly referred to as "PASH".

In PASH, the Supreme Court reviewed the development of private property rights and customary rights in Hawaii in the context of our state Constitution and statutes as well as judicial precedent. It stated in part as follows:

Our examination of the relevant legal developments in Hawaiian history leads us to the conclusion that the western concept of exclusivity is not universally applicable in Hawaii [However,] we reiterate that the State retains the ability to reconcile competing interests under article XII, section 7.

The Court also reviewed the extent to which rights reaffirmed under Article XII, section 7 of our Constitution or otherwise arising could be exercised on undeveloped versus partially developed versus fully developed private property. While noting that "we choose not to scrutinize the various gradations in property use that fall between the terms 'undeveloped' and 'fully developed[,]'" the Court stated:

Depending on the circumstances of each case, once land has reached the point of "full development" it may be inconsistent to allow or enforce the practice of traditional Hawaiian gathering rights on such property.

Finally the Court noted:

[T]he State is authorized to impose appropriate regulations to govern the exercise of native Hawaiian rights in conjunction with permits issued for the development of land previously undeveloped or not yet fully developed.

But, the Court concluded, "legitimate customary and traditional practices must be protected to the extent feasible in accordance with article XII, section 7".

A number of proposals were submitted during the current legislative session addressing PASH and suggesting various forms of appropriate state regulation. H.B. No. 1920, for example, proposed what appears to be the functional equivalent of a quiet title action for rights reaffirmed under article XII, section 7. H.B. No. 1536 proposed to incorporate a native Hawaiian cultural impact statement into portions of our land use approval process, while S.B. No. 8 proposed a system of registration of traditional and customary rights with the State Land Use Commission.

These proposals received lengthy and often emotional hearings by their respective committees of first referral. The testimony of landowners and related others tended to focus on the purported consequences of what they view as uncertainty regarding the nature and extent of property rights as a result of PASH. The testimony of traditional and customary rightholders and related others tended to focus on concerns over any diminution of rights they view as arising from or confirmed in PASH. Largely missing from the testimony was any indication of any substantial dialogue among the affected parties and effort at consensus as to the issues specifically left unresolved by PASH, primarily the specific nature and scope of affected rights and of appropriate state regulation.

Your Committee does not accept the status quo as ultimately beneficial to any concerned party or to the State as a whole. Your Committee agrees with the Supreme Court of Hawaii in PASH that it is a proper state function to reconcile competing interests and provide appropriate and reasonable state regulation.

However, in considering the substantive proposals before it and in analyzing the testimony, your Committee does not believe that it has been presented with a full range of available options together with fully articulated benefits and detriments of each option, nor, as noted earlier, that the various affected parties have made any substantial effort at meaningful discussion and consensus. Accordingly, your Committee has elected to defer the substantive proposals with the announced intention of taking up these and other possibilities in depth during the Regular Session of 1998.

In conjunction with this intention, your Committee wishes to provide a specific legislative request that all affected parties engage in mutual good faith discussions to identify and address all related issues, articulate and explain specific proposals, and seek consensus prior to the Regular Session of 1998. This measure makes that request and suggests that the Office of Planning undertake to serve as a strictly neutral facilitator of that process, with assistance from others if potentially beneficial.

Your Committee wishes the scope of discussion and of potential options to be as broad as possible and to be established by the range of needs and concerns of the parties themselves. Without limitation, however, your Committee notes the following issues left unresolved by PASH and/or raised by the proposals, testimony, and public discourse thus far:

- (1) Who is entitled to exercise what rights in what fashion (time, place, manner);
- (2) How is the range between "undeveloped" and "fully developed" to be articulated;
- (3) How are acknowledged and recognized rights to be confirmed;
- (4) How is public notice to be provided for acknowledged and recognized rights; and
- (5) How are disputes over rights to be resolved.

In testimony on this measure, concern was expressed over whether the Office of Planning could function impartially and whether another state agency, specifically the Department of Land and Natural Resources (DLNR), was preferable. Your Committee reiterates this measure's specific request that the Office of Planning "function solely as a facilitator and information resource and not as an advocate for any position," and believes that the Office of Planning will comply.

However, upon due consideration of this and other points in the testimony, your Committee has amended this measure by:

- (1) Requesting that the Office of Planning act in consultation with DLNR;
- (2) Requesting the Office of Planning to provide a monthly status report to any person asking for such a report;
- (3) Providing that a certified copy of this measure be transmitted to the DLNR; and
- (4) Making technical, nonsubstantive amendments for purposes of clarity and consistency.

Your Committee recognizes that the effort requested by this measure will be a difficult one, as is any effort which seeks the resolution of what initially appear to be competing interests. However, your Committee also recognizes this effort as necessary, and sincerely believes that it will prove highly productive to a reasonable, informed, and workable resolution.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 197, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.R. No. 197, HD 1.

Signed by all members of the Committee.

SCRep. 1385 Ocean Recreation and Marine Resources on H.C.R. No. 289

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to use Kaneohe Bay as a pilot project for community-based management of nearshore fisheries.

Testimony was received from DLNR concurring with the intent and purpose of the resolution noting that they will attempt to comply within available manpower and budget limitations. However, they stated that meaningful implementation will require passage of the Governor's "Ocean Initiative" budget.

Your Committee finds that Kaneohe Bay is an important embayment that may be experiencing declines in stocks of certain fish. This decline may be attributed in part to the indiscriminate use of gill nets. Your Committee also finds that the Kaneohe Bay Regional Council is in a position to assist the DLNR in developing a community-based plan.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 289 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representatives Yoshinaga and Meyer.

SCRep. 1386 Ocean Recreation and Marine Resources on H.C.R. No. 153

The purpose of this concurrent resolution is to provide for a financial audit of all state-run small boat harbors and boat ramps.

Your Committee finds it is most important to have accurate financial data on all small boat harbors in the State to improve their management. This is especially true for those facilities that have expressed an interest in the community-based management option.

Testimony was received from the Department of Land and Natural Resources (DLNR) in support and deferring to the Office of the Auditor as to their determination of the impact this task may have on the auditor's project workload and budgetary constraints. Supporting testimony was also received from Hawaii Government Employees Association, Boats/Hawaii, Inc. and several individuals from the boating community.

Your Committee has amended this bill to include suggestions made by DLNR in their testimony as follows:

- 1) The pro-rated share of indirect program costs attributed to each facility, such as the estimated outstanding debt service, should be determined; and
- 2) The Auditor include recommendations for revision of the financial reporting system to make it more user-friendly.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 153, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 153, HD 1.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1387 Agriculture on H.C.R. No. 54

The purpose of this concurrent resolution is to request the Department of Land and Natural Resources (DLNR) to designate the old Kona Airport State Park as the permanent site for the Big Island Farm Fair (Farm Fair).

Supporting testimony was submitted by DLNR and the Big Island Farm Bureau.

Your Committee recognizes that recent changes to DLNR's Administrative Rules would effectively prohibit the use of the old Kona Airport State Park for the Farm Fair. This measure requests legislative action to ensure that the Farm Fair is assured a central and ideal location where the event can best showcase its agricultural products to the community.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 54 and recommends that it be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives White and McDermott.

SCRep. 1388 Agriculture on H.R. No. 47

The purpose of this resolution is to request the Department of Land and Natural Resources (DLNR) to designate the old Kona Airport State Park as the permanent site for the Big Island Farm Fair (Farm Fair).

Supporting testimony was submitted by DLNR and the Big Island Farm Bureau.

Your Committee recognizes that recent changes to DLNR's Administrative Rules would effectively prohibit the use of the old Kona Airport State Park for the Farm Fair. This measure requests legislative action to ensure that the Farm Fair is assured a central and ideal location where the event can best showcase its agricultural products to the community.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 47 and recommends that it be referred to the Committee on Water and Land Use.

Signed by all members of the Committee except Representatives White and McDermott.

SCRep. 1389 Agriculture on H.C.R. No. 72

The purpose of this concurrent resolution is to request the Agribusiness Development Corporation (ADC) to promptly develop and implement, pursuant to its statutory responsibilities, a comprehensive rural transition plan that promotes new and diversified agriculture and increases rural employment and development in the State.

Testimony in support of this measure was submitted by the Department of Land and Natural Resources and the ADC Board of Directors. The Department of Business, Economic Development, and Tourism and the Democratic Party of Hawaii submitted testimony in support of the intent of the measure.

Your Committee recognizes the compelling need for a comprehensive rural transition plan as "plantation agriculture" downsizes. This measure supports the initiation of rural transition policies that would support diversified agricultural ventures, as well as the creation of greater rural employment and development opportunities.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 72 and recommends that it be referred to the Committee on Finance.

Signed by all members of the Committee except Representatives White and McDermott.

SCRep. 1390 Agriculture on H.C.R. No. 271

The purpose of this concurrent resolution is to request a study of the operations of the Agribusiness Development Corporation (ADC) as contained under Act 264, Session Laws of Hawaii 1994, including the staffing and effectiveness of ADC.

Testimony in support of this measure was submitted by ADC.

In its testimony, ADC indicated that in the study, its mission and transitional leadership role should be clearly articulated and then its ability to realistically bring about effective change with allocated resources can be critically reviewed.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 271 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives White and McDermott.

SCRep. 1391 Agriculture on H.R. No. 193

The purpose of this resolution is to request a study of the operations of the Agribusiness Development Corporation (ADC) as contained under Act 264, Session Laws of Hawaii 1994, including the staffing and effectiveness of ADC.

Testimony in support of this measure was submitted by ADC.

In its testimony, ADC indicated that in the study, its mission and transitional leadership role should be clearly articulated and then its ability to realistically bring about effective change with allocated resources can be critically reviewed.

As affirmed by the record of votes of the members of your Committee on Agriculture that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 193 and recommends that it be referred to the Committee on Legislative Management.

Signed by all members of the Committee except Representatives White and McDermott.

SCRep. 1392 Human Services and Housing on H.C.R. No. 176

The purpose of this concurrent resolution is to endorse the recommendations of the Ad Hoc Committee on Domestic and Sexual Violence and urges the State Commission On The Status Of Women to continue to chair and facilitate the Ad Hoc Committee On Domestic And Sexual Violence in its work to design and implement a comprehensive continuum of care, including coordinated service delivery system for victims of domestic violence and sexual violence. Further, beginning in 1997, for said State Commission to aid the Ad Hoc Committee in preparing an annual report regarding its recommendations for the development of this coordinated service system, and an evaluation of a comprehensive continuum of care. In addition, the State Commission should assist in seeking necessary funding to implement the recommendations of the Ad Hoc Committee.

A rather large turnout tendered both written and oral testimony on this measure. The Department of Human Services, the State Judiciary, the Sex Abuse Treatment Center, the co-chair of the Hawaii Women's Coalition, the Hawaii State Commission On The Status Of Women, the Catholic Charities of the Diocese of Honolulu, and the State Attorney General, all praised the legislature for this measure, believing that it is timely and poignant.

Your Committee recognizes that it is crucial that assistance be made available, in an organized, collaborative fashion, to those victims of domestic and/or sexual violence and that this measure provides for a continued effort to stem this plague on society. After careful consideration of this concurrent resolution, the testimony submitted thereon, your Committee passes this measure unamended.

As affirmed by the record of votes of the members of your Committee on Human Services and Housing that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 176 and recommends that it be referred to the Committee on Judiciary.

Signed by all members of the Committee except Representative Whalen.

SCRep. 1393 Transportation on H.C.R. No. 245

The purpose of House Concurrent Resolution No. 245, as received by your Committee on Transportation (DOT), is to request the Department of Transportation to name the "Haleiwa Bypass" in honor of the late Representative Joseph P. Leong.

Your Committee finds that the late Representative Joseph P. Leong is remembered as a diligent State Representative, a civic leader, an advocate for the welfare of the Hawaiian people, a supporter of public education, an avid volunteer for community activities, an outstanding employee of the federal government, and for his readiness to help anyone in time of need.

Your Committee further finds that former Representative Joseph P. Leong was instrumental in the passage of legislation for the Haleiwa Bypass, and deserves the honor of having the "Haleiwa Bypass" named after him as a memorial to his

contributions on behalf of the people of Hawaii, and as an expression of admiration, esteem, and affection from the people who appreciated and benefitted from his deeds that touched their lives.

Your Committee further finds that the Department of Transportation has jurisdiction over Haleiwa Bypass, but defers the naming conventions to the City and County of Honolulu, which recently rescinded its policy of using only Hawaiian names.

Testimonies in support of this House Concurrent Resolution were heard from The Mark A. Robinson Trusts and from a former legislative aide for Representative Leong.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 245 and recommends its adoption.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1394 Transportation on H.R. No. 176

The purpose of House Resolution No. 176, as received by your Committee on Transportation (DOT), is to request the Department of Transportation to name the "Haleiwa Bypass" in honor of the late Representative Joseph P. Leong.

Your Committee finds that the late Representative Joseph P. Leong is remembered as a diligent State Representative, a civic leader, an advocate for the welfare of the Hawaiian people, a supporter of public education, an avid volunteer for community activities, an outstanding employee of the federal government, and for his readiness to help anyone in time of need.

Your Committee further finds that former Representative Joseph P. Leong was instrumental in the passage of legislation for the Haleiwa Bypass, and deserves the honor of having the "Haleiwa Bypass" named after him as a memorial to his contributions on behalf of the people of Hawaii, and as an expression of admiration, esteem, and affection from the people who appreciated and benefitted from his deeds that touched their lives.

Your Committee further finds that the Department of Transportation has jurisdiction over Haleiwa Bypass, but defers the naming conventions to the City and County of Honolulu, which recently rescinded its policy of using only Hawaiian names.

Testimonies in support of this House Resolution were heard from the The Mark A. Robinson Trusts and from a former legislative aide for Representative Leong.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 176 and recommends its adoption.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1395 Transportation on H.C.R. No. 238

The purpose of House Concurrent Resolution No. 238, as received by your Committee on Transportation, is to request the Federal Aviation Administration to make a feasibility study of the installation of appropriate navigational aids or the establishment of a policy to ban flights in Halawa Valley, Molokai.

Your Committee finds that the island of Molokai is dependent on air transportation for both residents and visitors, and must rely on the adequacy of aviation safety features. Your Committee further finds that two tragic air tragedies in recent years have resulted in the loss of several lives.

This House Concurrent Resolution is seeking to save lives by installing navigational aids for pilots, or by banning flights in Halawa Valley.

Testimony in support of this House Concurrent Resolution was heard from the Department of Transportation, which testified that the Federal Aviation Administration has been contacted, and is considering the installation of a beacon light at Halawa Valley, Molokai.

Your Committee has amended House Concurrent Resolution No. 238 by amending the title and lines 24-25 by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 238, as amended herein, and recommends its adoption in the form attached hereto as H.C.R. No. 238, HD 1.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1396 Transportation on H.R. No. 169

The purpose of House Resolution No. 169, as received by your Committee on Transportation, is to request the Federal Aviation Administration to make a feasibility study of the installation of appropriate navigational aids or the establishment of a policy to ban flights in Halawa Valley, Molokai.

Your Committee finds that the island of Molokai is dependent on air transportation for both residents and visitors, and must rely on the adequacy of aviation safety features. Your Committee further finds that two tragic air tragedies in recent years have resulted in the loss of several lives.

This House Resolution is seeking to save lives by installing navigational aids for pilots, or by banning flights in Halawa Valley.

Testimony in support of this House Resolution was heard from the Department of Transportation, which testified that the Federal Aviation Administration has been contacted, and is considering the installation of a beacon light at Halawa Valley, Molokai.

Your Committee has amended Resolution No. 169 by amending the title and lines 23-24 by making technical, nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 169, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 169, HD 1.

Signed by all members of the Committee except Representatives Suzuki, Yonamine and Marumoto.

SCRep. 1397 Judiciary on S.B. No. 1267

This bill clarifies and strengthens the paternity and child support laws in Hawaii.

The purpose of this bill, as received by your Committee, is to improve the child support and paternity laws by:

- (1) Extending the statute of limitations for the collection of judgments for child support;
- (2) Creating a presumption for a child support modification review based upon a quantitative standard;
- (3) Providing for a method in which direct payment agreements between custodial and noncustodial parents may be voided by the Child Support Enforcement Agency (CSEA) when a parent applies for services from the agency;
- (4) Requiring that the parties to a direct payment agreement approved by a court on or after October 1, 1998, send a certified copy of the order to the yet to be established state case registry;
- (5) Clarifying that CSEA is not required to maintain records while any court approved direct payment record is in effect, except for any payments received and disbursed by CSEA;
- (6) Providing that CSEA is a necessary party in any paternity action where the child whose paternity is in question is receiving public assistance moneys;
- (7) Providing that the county attorney or corporation counsel shall represent CSEA upon request of CSEA in paternity proceedings; and
- (8) Permitting paternity judgments to require the father of the child to pay medical insurance premium expenses, including MedQuest, incurred during the mother's pregnancy, childbirth, and confinement.

Testimony was received from the Administrator of the Child Support Enforcement Agency on behalf of the Attorney General, a representative from the Department of Human Services, and a representative from the County of Hawaii and the County of Kauai.

Your Committee previously heard companion bill, H.B. 1589, HD 1, and adopted one major amendment. The proposed statute of limitations for collection of unpaid child support owed in nonwelfare cases would have allowed collections to continue up to the thirty-eighth birthday of the subject child, with the obligee having the burden of requesting an extension of the limitation period if the obligee desired pursuit of the debt beyond the child's twenty-eighth birthday. Your Committee amended the limitations period to allow collection of unpaid child support up to the child's thirty-third birthday with no extension request required of the obligee. Your Committee further provided that the obligee could also utilize the latest period for collection of debts as provided in section 657-5, Hawaii Revised Statutes, if that expiration period were later.

Your Committee finds that this amendment, along with the recommended clarification change of the County of Hawaii and the County of Kauai, should be reflected in S.B. No. 1267, SD 1, as it allows for a lengthy period in which to pursue unpaid child support without having to obtain a judicial or administrative extension of the collection period.

The amendment to Chapter 657, Judgment for Support will read as follows: "Every judgment for child support, including a judgment for reimbursement or other arrears, shall be presumed to be paid and discharged on the thirty-third birthday of the child for which the order of support was rendered, or by the expiration of the latest period provided in section 657-5, whichever date is later."

Your Committee has made technical, nonsubstantive amendments for purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1267, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1267, SD1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 1398 Judiciary on S.B. No. 989

The purpose of this bill as received by your Committee is to provide that persons who are not students or personnel who use school grounds, facilities, or equipment assume the risk of liability for any injuries sustained, except for injuries caused by the gross negligence, wilful or wanton conduct of persons constructing the improvements on the school grounds.

Your Committee received testimony on this bill from the Department of Education and the Consumer Lawyers of Hawaii.

Your Committee finds that this measure, as received by your Committee is overly broad and attempts to address issues involving volunteer immunity as well as immunity from claims of those unauthorized to use school grounds. The measure also requires written authorization from the school principal for anyone entering school property, other than a student or faculty member, to avoid assumption of risk. Your Committee finds that the rights of parents, business invitees or licensees properly entering school grounds from time to time should not be so restricted.

Your Committee has amended this bill by reducing its scope simply to limit the assumption of risk from injuries incurred while on school property to those who enter school property for the purpose of committing or attempting to commit property crimes.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 989, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 989, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Menor and Pendleton.

SCRep. 1399 Judiciary on S.B. No. 1064

The purpose of this bill, as received by your Committee, is to revise the election ballot access qualifications for political parties.

Your Committee received testimony on this bill from the Office of Elections, the Office of Information Practices (OIP), and the Libertarian Party.

Your Committee finds that, based on testimony from OIP, voters' Social Security numbers should be treated as confidential information and should not be easily available to the public. While the Office of Elections finds it convenient to use Social Security numbers to validate voter registration information, validation can be accomplished without the need to enter Social Security numbers on petitions.

Your Committee has amended this measure to:

- (1) Delete the requirement for entering Social Security numbers on petitions; and
- (2) Extend the time for filing petitions from 150 days to 170 days before a primary election so that the Office of Elections will have more time to validate voter registration information.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1064, SD 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1064, SD 1, HD 1, and be placed on the calendar for Third Reading.

Signed by all members of the Committee except Representatives Herkes, Hiraki and Menor.

SCRep. 1400 Ocean Recreation and Marine Resources on S.B. No. 1428

The purpose of this bill is to:

- (1) Exclude from the definition of "commercial vessel" a vessel engaged in temporary use for film production purposes in accordance with a film permit issued by the Department of Business, Economic Development and Tourism (DBEDT); and
- (2) Specify that the period of temporary use is not to exceed fourteen hours a day, five days a week, excluding weekends, and for a period not to exceed thirty calendar days; provided that DBEDT may make allowances to include weekends for film production purposes due to inclement weather conditions during the weekday period.

Your Committee finds that the film industry is an important part of the Hawaii economy and deserves support from our State government. This measure provides for a means to streamline the permit process to facilitate film production.

Testimony in support of this bill was received from DBEDT, the Department of Land and Natural Resources (DLNR), Boats/Hawaii, Inc., and a individual from the film industry.

Your Committee finds that the existing statute requires DLNR to ensure that these permits do not conflict with the policies, and terms and conditions regarding the activity in the area where the filming is to take place.

As affirmed by the record of votes of the members of your Committee on Ocean Recreation and Marine Resources that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1428, SD 1, HD 1, and recommends that it pass Third Reading.

Signed by all members of the Committee except Representatives Goodenow and Yoshinaga.

SCRep. 1401 Tourism on H.C.R. No. 230

The purpose of this resolution is to request the Department of Business, Economic Development and Tourism, and the Department of Transportation to conduct a study to determine the feasibility of constructing a Honolulu City Air Terminal (HCAT) in Waikiki.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism, and Department of Transportation, in support; and
2. Airlines Committee of Hawaii, in comment.

Your Committee finds that tighter Federal Aviation Administration security measures at the airport have caused delays in the processing of passengers, and that a city air terminal would allow for speedier processing of incoming and outgoing air travelers, giving them more time to enjoy other attractions in Hawaii.

Your Committee revised this resolution by:

1. Providing that the study be conducted in cooperation with the Airlines Committee of Hawaii, the Federal Aviation Administration and the U.S. Department of Agriculture;
2. Specifying that the study include the possibility of operating the terminal at no cost to the state;
3. Removing the issue of location from the study;
4. Adding the issues of safety, security and liability concerns to the study;
5. Adding the Executive Director of the Airlines Committee of Hawaii, the Federal Aviation Administration the U.S. Department of Agriculture and the members of Hawaii's Congressional delegation to those receiving certified copies; and
6. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 230, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.C.R. No. 230, HD 1.

Signed by all members of the Committee.

SCRep. 1402 Tourism on H.R. No. 158

The purpose of this resolution is to request the Department of Business, Economic Development and Tourism, and the Department of Transportation to conduct a study to determine the feasibility of constructing a Honolulu City Air Terminal (HCAT) in Waikiki.

Your Committee received testimony as follows:

1. Department of Business, Economic Development, and Tourism, and Department of Transportation, in support; and
2. Airlines Committee of Hawaii, in comment.

Your Committee finds that tighter Federal Aviation Administration security measures at the airport have caused delays in the processing of passengers, and that a city air terminal would allow for speedier processing of incoming and outgoing air travelers, giving them more time to enjoy other attractions in Hawaii.

Your Committee revised this resolution by:

1. Providing that the study be conducted in cooperation with the Airlines Committee of Hawaii, the Federal Aviation Administration and the U.S. Department of Agriculture;
2. Specifying that the study include the possibility of operating the terminal at no cost to the state;
3. Removing the issue of location from the study;
4. Adding the issues of safety, security and liability concerns to the study;
5. Adding the Executive Director of the Airlines Committee of Hawaii, the Federal Aviation Administration the U.S. Department of Agriculture and the members of Hawaii's Congressional delegation to those receiving certified copies; and

6. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 158, as amended herein, and recommends that it be referred to the Committee on Transportation, in the form attached hereto as H.R. No. 158, HD 1.

Signed by all members of the Committee.

SCRep. 1403 Tourism on H.C.R. No. 76

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism, and the Hawaii Visitors and Convention Bureau to continue to support expedited border clearance in Hawaii, the permanency of the visa waiver program, the inclusion of Korea, Taiwan and other countries in the visa waiver program, and the elimination of visa requirements where possible.

Your Committee received testimony as follows:

1. Office of the Lieutenant Governor, Hawaii Hotel Association, Hawaii Association of Realtors, Department of Transportation, in support; and
2. Department of Business, Economic Development, and Tourism, in comment.

Your Committee finds that the travel industry has become one of the largest segments of the international economy and Hawaii needs to maintain its competitiveness by lowering, not raising, the barriers to entry through our borders.

In addition, the Department of Transportation and the U.S. Immigration and Naturalization Service have already begun work on the installation of two INS PASS devices at Honolulu International Airport, which will expedite the processing of foreign arrivals while maintaining security.

Your Committee revised this resolution by:

1. Adding a provision requesting the support of the President of the United States, the Speaker of the U.S. House of Representatives and the President of the U.S. Senate for passage of H.R. NO. 627 and S. NO. 290, establishing a three-year visa waiver pilot program for Korean nationals visiting the United States as tourists;
2. Adding the President of the United States, the Speaker of the U.S. House of Representatives and the President of the U.S. Senate as recipients of certified copies; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 76, as amended herein, and recommends that it be referred to the Committee on Judiciary, in the form attached hereto as H.C.R. No. 76, HD 1.

Signed by all members of the Committee except Representatives Jones, White and Aiona.

SCRep. 1404 Tourism on H.C.R. No. 252

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to explore the feasibility of attracting the "America's Smithsonian" touring exhibition to Honolulu.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, the Convention Center Authority and one individual Honolulu City Councilmember.

Your Committee finds that America's Smithsonian, which began as the Smithsonian Institution in 1846, has established its reputation as the world's premier museum complex and research center, and has become the keeper of the historical and cultural artifacts of our nation.

Attracting such a prestigious exhibition to the Hawaii Convention Center, the only facility in Hawaii capable of hosting such an event, will be a tremendous opportunity for the people of Hawaii and the visitor industry. The traveling America's Smithsonian exhibition schedules numerous local events involving Smithsonian scholars and local schools. In addition, cities such as St. Paul, Minnesota, Providence, Rhode Island, and Kansas City, Missouri have all reported an estimated economic benefit of \$20,000,000 from their participation in the Smithsonian tour.

Discussions already underway with the Director of the Smithsonian indicate willingness to include Honolulu in the Smithsonian tour.

Your Committee revised this resolution by:

1. Providing that the exhibition involve no cost to the state, if possible;
2. Adding certified copies to the Mayor of the City and County of Honolulu, the Council Chair of the City and County of Honolulu, and the Director of America's Smithsonian; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 252, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 252, HD 1.

Signed by all members of the Committee except Representatives Jones, White and Aiona.

SCRep. 1405 Tourism on H.R. No. 179

The purpose of this resolution is to request the Department of Business, Economic Development, and Tourism to explore the feasibility of attracting the "America's Smithsonian" touring exhibition to Honolulu.

Your Committee received testimony in support of this resolution from the Department of Business, Economic Development, and Tourism, the Convention Center Authority and one individual Honolulu City Councilmember.

Your Committee finds that America's Smithsonian, which began as the Smithsonian Institution in 1846, has established its reputation as the world's premier museum complex and research center, and has become the keeper of the historical and cultural artifacts of our nation.

Attracting such a prestigious exhibition to the Hawaii Convention Center, the only facility in Hawaii capable of hosting such an event, will be a tremendous opportunity for the people of Hawaii and the visitor industry. The traveling America's Smithsonian exhibition schedules numerous local events involving Smithsonian scholars and local schools. In addition, cities such as St. Paul, Minnesota, Providence, Rhode Island, and Kansas City, Missouri have all reported an estimated economic benefit of \$20,000,000 from their participation in the Smithsonian tour.

Discussions already underway with the Director of the Smithsonian indicate willingness to include Honolulu in the Smithsonian tour.

Your Committee revised this resolution by:

1. Providing that the exhibition involve no cost to the state, if possible;
2. Adding certified copies to the Mayor of the City and County of Honolulu, the Council Chair of the City and County of Honolulu, and the Director of America's Smithsonian; and
3. Making technical, non-substantive changes for the purposes of style and clarity.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 179, as amended herein, and recommends that it be referred to the Committee on Finance, in the form attached hereto as H.R. No. 179, HD 1.

Signed by all members of the Committee except Representatives Jones, White and Aiona.

SCRep. 1406 Agriculture and Economic Development and Business Concerns on H.C.R. No. 209

The purpose of this concurrent resolution is to request a study on the feasibility of establishing a public market in Honolulu.

Supporting testimony was received from the Department of Agriculture, the Department of Business, Economic Development, and Tourism, the Hawaii Community Development Authority, the Hawaii Farm Bureau, the Board of Directors of the Agribusiness Development Corporation, the Hawaii Association of Nurserymen, and an individual.

Your Committees recognize the economic potential of public markets to promote the State's unique and quality agricultural and aquacultural products. Furthermore, the development of a public market in each county would help generate new job and business opportunities, while being a boon to our agricultural and aquacultural industries.

Upon careful consideration, your Committees have amended this concurrent resolution by:

- (1) Requesting a study on the feasibility of establishing a public market in each county, rather than just in Honolulu;
- (2) Amending the title of the concurrent resolution to read: "REQUESTING A STUDY ON THE FEASIBILITY OF ESTABLISHING PUBLIC MARKETS IN EACH COUNTY";
- (3) Including the counties as participants in the study;
- (4) Requesting that the study include the potential of including both agricultural and aquacultural products in the development of public markets in the State; and
- (5) Requesting that copies of this measure be sent to the mayors and county council chairs of each county.

As affirmed by the records of votes of the members of your Committees on Agriculture and Economic Development and Business Concerns that are attached to this report, your Committees concur with the intent and purpose of H.C.R. No. 209, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as H.C.R. No. 209, HD 1.

Signed by all members of the Committees except Representatives Cachola, White and McDermott.